

1139. Also, petition of Emmett Arthur Hinkelman, Chicago, Ill., urging legislation to allow the sending of educational books and magazines postage free to students, institutions of learning, and public libraries in the Marshall-plan countries; to the Committee on Post Office and Civil Service.

1140. Also, petition of William H. Elliott and others, San Francisco, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1141. Also, petition of Mabel Mattly and others, Stockton, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1142. Also, petition of P. F. Wichmann and others, La Fayette, Ind., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1143. Also, petition of Lon Donnell and others, Hutchinson, Kans., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1144. Also, petition of Mrs. Mary Smith and others, Milwaukee, Wis., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1145. Also, petition of Josephine Heverling and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1146. Also, petition of Mrs. Mildred Cole and others, Tacoma, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1147. Also, petition of Mrs. E. O. Johnson and others, Cassadaga, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1148. Also, petition of Mrs. Dorothea Graves and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1149. Also, petition of Mrs. Ella Zeigler and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 24, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, hushing our thoughts to stillness, we would school our spirits in sincerity and truth as we wait before Thee, who knowest the secrets of our hearts. In a world of suspense and suspicion and turmoil, breathe now in this quiet moment Thy peace on hearts that pray—the peace that comes only when our jarring discords are tuned to the music of Thy will.

Then, as heralds of good will, send us forth across all the barriers of race and creed, to make our contribution to the

glad day when justice and understanding shall engirdle this worn and weary earth.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 23, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 23, 1949, the President had approved and signed the joint resolution (S. J. Res. 55) to print the monthly publication entitled "Economic Indicators."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2290. An act to provide for cooperation by the Smithsonian Institution with State, education, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams;

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; and

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Miller
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	Pepper
Capehart	Johnson, Tex.	Reed
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Taft
Downey	Lucas	Taylor
Eastland	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McGrath	Wiley
Gillette	McKellar	Williams
Graham	Magnuson	Withers
Green	Martin	Young
Hayden	Maybank	
Hendrickson		

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent on

official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Connecticut [Mr. McMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

The Senator from Maryland [Mr. O'CONNOR] is absent on official business, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Mississippi [Mr. STENNIS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. TAFT. I announce that the Senator from Montana [Mr. ECTON], the Senator from Nevada [Mr. MALONE], and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. GURNEY], and the Senator from Massachusetts [Mr. LODGE] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] are in attendance at a meeting of the Joint Committee on Atomic Energy.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and joint resolutions, and present for the RECORD petitions and memorials and other routine matters, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Dis-

position of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

THE NORTH ATLANTIC PACT—MEMORIAL

Mr. LANGER. Mr. President, I present for appropriate reference a memorial signed by some 25 citizens of North Dakota remonstrating against adherence to the North Atlantic Pact by the United States. I ask unanimous consent that the memorial together with the names, be printed in the RECORD.

There being no objection, the memorial was ordered to lie on the table and to be printed in the RECORD, with the signatures attached, as follows:

JUNE 20-21, 1949.

To Senator WILLIAM LANGER,

Washington, D. C.:

Convinced that war is not inevitable; that the North Atlantic Pact may provoke the very war it professes to prevent; believing that international differences can be settled through United Nations, we call upon you to actively oppose ratification of the pact and to vote against European rearmament, estimated by United States News to cost \$20,000,000,000. We are unalterably opposed to feeding the war machine at the expense of our standard of living.

James A. Wenstrom, Sykeston, N. Dak.; D. B. Tate, Woodworth, N. Dak.; J. C. Schaffer, Carrington, N. Dak.; Ben Stahl, Sykeston, N. Dak.; Mrs. Gertrude Stahl, Sykeston, N. Dak.; Lyle Catalla, Carrington, N. Dak.; Clifford Hill, Carrington, N. Dak.; Albert Paulson, Carrington, N. Dak.; Russell Emery, Edmunds, N. Dak.; Cecil Thurman, Carrington, N. Dak.; Gordon Paulson, Carrington, N. Dak.; E. E. Wenger, Carrington, N. Dak.; T. J. Dunn, Carrington, N. Dak.; Ralph Hatch, Carrington, N. Dak.; Hugh A. Putnam, Carrington, N. Dak.; Kenneth A. Ferguson, Carrington, N. Dak.; Geo. E. Engstrom, Carrington, N. Dak.; John E. Edwardsen, Carrington, N. Dak.; Charles C. Cope, Carrington, N. Dak.; Leo E. Steinmann, Carrington, N. Dak.; Alma Jean Johnson, Carrington, N. Dak.; Mels Erstod, Carrington, N. Dak.; Jake Schaffer, Carrington, N. Dak.; Clifford Sampson, Carrington, N. Dak.; James W. McCrea, Carrington, N. Dak.; James C. Rude, Carrington, N. Dak.; Carl T. Gilsepp, Carrington, N. Dak.; Geo. Clapper, Carrington, N. Dak.; Mrs. R. A. Wenstrom, Sykeston, N. Dak.; Anna Wenstrom, Sykeston, N. Dak.; R. A. Wenstrom, Sykeston, N. Dak.; Erling S. Boeck, Carrington, N. Dak.; Art Gosstal, Carrington, N. Dak.

WORLD FEDERATION—RESOLUTION OF CONNECTICUT GENERAL ASSEMBLY

Mr. BALDWIN. Mr. President, I present for appropriate reference and printing in the RECORD a certified copy of a resolution adopted by the General Assembly of the State of Connecticut, making application to Congress to call a constitutional convention to consider amendments to the Constitution of the United States to facilitate participation in a world federation.

The resolution was referred to the Committee on Foreign Relations, and,

under the rule, ordered to be printed in the RECORD, as follows:

Resolved by this assembly:

Whereas war is now a threat to the very existence of our civilization, because modern science has produced weapons of war which are overwhelmingly destructive and against which there is no sure defense; and

Whereas the effective maintenance of world peace is the proper concern and responsibility of every American citizen; and

Whereas the people of the State of Connecticut, while now enjoying domestic peace and security under the laws of their local, State and Federal Government, deeply desire the guarantee of world peace; and

Whereas all history shows that peace is the product of law and order, and that law and order are the product of government; and

Whereas the United Nations, as presently constituted, although accomplishing great good in many fields, lacks authority to enact, interpret or enforce world law, and under its present Charter is incapable of restraining any major nations which may foster or foment war; and

Whereas the Charter of the United Nations expressly provides, in articles 108 and 109, a procedure for reviewing and altering the Charter; and

Whereas several nations have recently adopted constitutional provisions to facilitate their entry into a world federal government by authorizing a delegation to such a world federal government of a portion of their sovereignty to endow it with powers adequate to prevent war; and

Whereas the State of Connecticut has memorialized Congress, both through passage by the general assembly in 1943 of the so-called Humber resolution, and through the world government referendum of 1948, overwhelmingly approved by the voters of the State, to initiate steps toward the creation of a world federal government: Now, therefore, be it

Resolved by the Senate and House of Representatives of the General Assembly of the State of Connecticut, That application is hereby made to the Congress of the United States, pursuant to article V of the Constitution of the United States, to call a convention for the sole purpose of proposing amendments to the Constitution which are appropriate to authorize the United States to negotiate with other nations, subject to later ratification, a constitution of a world federal government, open to all nations, with limited powers adequate to assure peace, or amendments to the Constitution which are appropriate to ratify any world constitution which is presented to the United States by the United Nations, by a world constitutional convention or otherwise; and be it further

Resolved, That the secretary of the State of Connecticut is hereby directed to transmit copies of this application to the Senate and the House of Representatives of the Congress, to the members of the said Senate and House of Representatives from this State, and to the presiding officers of each of the legislatures in the several States, requesting their cooperation.

Given under my hand and the seal of the State, this 1st day of June A. D. 1949.

CHESTER BOWLES,

Governor.

[SEAL]

By His Excellency's command:

WINIFRED McDONALD,

Secretary.

PLEDGE OF ALLEGIANCE—RESOLUTION OF GOVERNMENT EMPLOYEES' COUNCIL, A. F. OF L.

Mr. JOHNSTON of South Carolina. Mr. President, I present for appropriate

reference a resolution adopted by the Government Employees' Council, American Federation of Labor, on June 14, 1949, Washington, D. C., relative to pledge of allegiance as an annual observance on the Monument lot at Washington, D. C., each year, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

PLEDGE OF ALLEGIANCE AS AN ANNUAL OBSERVANCE ON THE MONUMENT LOT AT WASHINGTON, D. C.

Whereas in such times as these when loyalty to the principles of free men are continually under pressure from without and in some instances from within; and

Whereas complacency is the worst form of support any form of government can possibly have; and

Whereas the Governments of the United States and of the several States cannot possibly be any stronger under the attacks of those who would continue to wage the so-called cold war, than the faith of those men and women who, in high station and low, daily perform the task of operating those Governments to prove that our Nation, mighty though it be, must never falter for lack of enthusiastic demonstration of faith on the part of those who serve this Republic; and

Whereas it logically is the opportunity on each Flag Day annually to lead the United States and all its people in a rededication of ourselves and our ambitions and our energies toward ever building this Nation even higher in the esteem of the family of nations: Therefore be it

Resolved, That all unions affiliated to the Government Employees' Council of the American Federation of Labor declare that it is their intention, jointly, severally, and actively in whatever appropriate fashion deemed best by the Government Employees' Council to request permission for use of the Washington Monument lot in the city of Washington, D. C., the fourteenth day of June of each year or any day nearest that date deemed best suited and, that starting in 1950 the council supply a mammoth American flag of such material as may be durable and to be draped from strong light metal materials suspended from the Washington Monument as a backdrop for the public observance of Flag Day; and be it further

Resolved, That the officers' committee and such other delegates to the Government Employees' Council as may be designated will serve as the arrangements committee for the occasion, authorized to issue the invitations to speakers and special guests and that request be made of the President of the United States to make a personal appearance and such remarks as he chooses on the occasion, and that other guests and speakers from whatever walks of life, including other national leaders in the legislative and judicial branches and from among labor and among industry and elsewhere as may be best suited, and that the occasion be accompanied at the time of the unfurling of the flag with a mass pledge of allegiance and that a salute be requested from the armed forces; and be it further

Resolved, That the occasion be preceded with a parade to be open for participation by students who at that season may be visitors in the Nation's Capital and by representatives and delegations of segments of the population who logically are part of the American scene, and that the cost of the flag be prorated among member unions of the council.

AMENDMENT OF CONSTITUTION RELATING TO CERTAIN INCOME TAXES—RESOLUTION OF RHODE ISLAND GENERAL ASSEMBLY

Mr. GREEN. Mr. President, I present at this time a letter addressed to me by Hon. Armand H. Coté, secretary of state of Rhode Island, enclosing a certified copy of Resolution H. 548, adopted by the Rhode Island General Assembly at the January 1949 session and approved by the Governor on May 3, 1949, which repeals Resolution No. 4.

In explanation, I should state that this Resolution No. 4 was adopted by the General Assembly of the State of Rhode Island on March 15, 1940. On the following March 26 the Vice President laid it before the United States Senate, and it was appropriately referred to the Senate Committee on the Judiciary. On the same date Representative Harry Sanger asked for unanimous consent to proceed for 1 minute, and, there being no objection, he spoke at some length on the subject of this resolution.

When Resolution No. 4 passed the general assembly in 1940 it was by a divided vote in both houses, and it is my firm belief that the people of my State never approved the action taken in passing it. The reason is plain. The resolution proposed an amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts. It provided that the power of Congress to impose taxes of this kind be limited to a maximum of 25 percent, except in the case of a war creating a grave national emergency, when the limit might be removed temporarily by a three-fourths vote of each House of Congress.

This amendment, of course, cannot take effect until approved by two-thirds of the States, and such a number has not yet approved it, and possibly never will approve it. However, Rhode Island now withdraws its previous approval, and I trust any other States which may have approved it will act in the same manner, for such provision is inconsistent with present-day economic points of view and contrary to the fundamental principles of a democracy.

I ask unanimous consent that the letter and Resolution H. 548 be appropriately referred and printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS,
Providence, June 21, 1949.
The UNITED STATES SENATE,
Washington, D. C.

GENTLEMEN: I am enclosing herewith certified copy of Resolution H. 548, introduced by Representative Ralph D. Petrarca, entitled "Resolution Repealing Resolution No. 4," passed March 15, 1940, entitled "Resolution Proposing an Amendment to the Constitution of the United States Relative to Taxes on Incomes, Inheritances, and Gifts," passed by the general assembly at the January session, A. D. 1949, and approved by the Governor on the 3d day of May A. D. 1949.

Very truly yours,

ARMAND H. COTÉ,
Secretary of State.

Resolution repealing Resolution No. 4, passed March 15, 1940, entitled "Resolution Proposing an Amendment to the Constitution of the United States Relative to Taxes on Incomes, Inheritances, and Gifts."

Resolved, That Resolution No. 4, passed March 15, 1940, entitled "Resolution Proposing an Amendment to the Constitution of the United States Relative to Taxes on Incomes, Inheritances, and Gifts," be, and the same hereby, is repealed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PEPPER, from the Committee on Labor and Public Welfare:

S. 1859. A bill to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio; without amendment (Rept. No. 565).

By Mr. JOHNSON of Texas, from the Committee on Interstate and Foreign Commerce:

S. 1498. A bill to amend the Natural Gas Act, approved June 21, 1938, as amended; with an amendment (Rept. No. 567); and

H. R. 4252. A bill to transfer the trawlers Alaska and Oregon from the Reconstruction Finance Corporation to the Fish and Wildlife Service; without amendment (Rept. No. 566).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 520. A bill to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands; with amendments (Rept. No. 568).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 24, 1949, he presented to the President of the United States the enrolled bill (S. 1794) to repeal certain obsolete provisions of law relating to the naval service.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Lucile Petry, and sundry other persons for appointment and promotion in the Regular Corps of the Public Health Service;

Paul A. Lindquist, and sundry other persons for appointment and promotion in the Regular Corps of the Public Health Service; and

G. Alice Boore, and sundry other persons for appointment and promotion in the Regular Corps of the Public Health Service.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS (by request):

S. 2136. A bill to authorize the Department of the Army to produce nitrogenous fertilizer materials required by occupied areas and by the Republic of Korea, and for other purposes; to the Committee on Armed Services.

By Mr. YOUNG:

S. 2137. A bill to amend section 102 (a) of the Department of Agriculture Organic Act of 1944 to authorize the Secretary of Agriculture to carry out operations to combat aphids; to the Committee on Agriculture and Forestry.

By Mr. MARTIN:

S. 2138. A bill for the relief of Mihjalo Bakic, also known as Mile Vujaklija; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2139. A bill to provide that small business shall receive a fair share of Government procurements; to the Committee on Expenditures in the Executive Departments.

By Mr. WATKINS:

S. 2140. A bill to authorize the Secretary of the Interior to exchange certain Navajo Tribal Indian land for certain Utah State land; to the Committee on Interior and Insular Affairs.

By Mr. O'MAHONEY (by request):

S. 2141. A bill to authorize the United States to purchase restricted lands of individual Indians and for other purposes; and

S. 2142. A bill to amend the act of December 24, 1942 (58 Stat. 1086; 43 U. S. C., sec. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interests in lands for the Geological Survey; to the Committee on Interior and Insular Affairs.

By Mr. McKELLAR:

S. 2143. A bill to provide for the erection of a memorial at the grave of Elizabeth Daniel, the widow of Joseph (Job) Daniel, a Revolutionary War soldier; to the Committee on Rules and Administration.

ELECTRICAL VOTING EQUIPMENT IN SENATE AND HOUSE CHAMBERS

Mr. KEFAUVER submitted the following concurrent resolution (S. Con. Res. 50), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That in carrying out the provisions of the joint resolution entitled "Joint resolution relating to the appropriation for the roofs and skylights over the Senate and House wings of the Capitol, and for other purposes," approved July 17, 1945, the Architect of the Capitol shall provide for the installation of such conduits, wiring, and connections, and for such other works, as may be required for the subsequent installation of electrical voting equipment in the Senate and House Chambers.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 2290. An act to provide for cooperation by the Smithsonian Institution with State, education, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams; to the Committee on Rules and Administration.

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; to the Committee on Banking and Currency.

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar; to the Committee on Rules and Administration.

ANNOUNCEMENT BY SENATOR LODGE IN CONNECTION WITH VOTE ON MORSE AMENDMENT TO LABOR BILL

Mr. LODGE. Mr. President, I desire to have the permanent RECORD show that had I been present in the Senate on June 23 I would have voted "nay" on the amendment of the Senator from Oregon

[Mr. MORSE] to title III of the so-called Thomas bill.

MILITARY APPROPRIATIONS — STATEMENT BY SENATOR FLANDERS

[Mr. TOBEY asked and obtained leave to have printed in the RECORD a statement regarding military appropriations made by Senator FLANDERS before the Senate Committee on Appropriations, on June 23, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR LANGER AT HARTFORD, CONN.

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by him on June 4, 1949, the occasion of the twenty-ninth anniversary of the Carl Schurz Unit, No. 22, of the Steuben Society of America at Hartford, Conn., which appears in the Appendix.]

THE DENAZIFICATION PROGRAM—NEWS COMMENT OF ADDRESS BY SENATOR GILLETTE

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an article entitled "Nazis Helped, GILLETTE Says," published in the Baltimore Sun of June 20, 1949, which appears in the Appendix.]

BIG SOVIET: STRONGER AMERICA—ARTICLE FROM THE UNITED STATES NEWS AND WORLD REPORT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Big Soviet: Stronger America," published in the United States News and World Report of June 10, 1949, which appears in the Appendix.]

PROTESTS FROM GERMANY AGAINST DISMANTLING OF GERMAN PLANTS

[Mr. LANGER asked and obtained leave to have printed in the RECORD three letters and a telegram from Germany addressed to him, protesting against the dismantling of German manufacturing plants, which appear in the Appendix.]

DANGERS OF BUREAUCRACY—EDITORIAL FROM CLEVELAND PLAIN DEALER

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an editorial entitled "The Real Danger," published in the Cleveland Plain Dealer of June 20, 1949, which appears in the Appendix.]

NATIONALISTS FORM PARTY IN GERMANY—ARTICLE BY JACK RAYMOND

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an article entitled "Nationalists Form Party in Germany," written by Jack Raymond, and published in the New York Times of June 23, 1949, which appears in the Appendix.]

DEVELOPMENT OF LOW-GRADE IRON ORES IN MINNESOTA

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter written by Mr. E. W. Davis, of the University of Minnesota, relative to the development of taconite ores in the Lake Superior district, which appears in the Appendix.]

ECONOMIC INDICATORS NOW ON SALE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a letter addressed to him by the President regarding the publication and sale of "Economic Indicators," a monthly publication of charts and tables showing economic trends and developments, which appears in the Appendix.]

ARE WE AFRAID OF FREEDOM?—EDITORIAL FROM THE HARTFORD COURANT

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial

entitled "Are We Afraid of Freedom?" published in the Hartford Courant for June 19, 1949, which appears in the Appendix.]

IMPROVING THE VOICE OF AMERICA—EDITORIAL FROM THE BRIDGEPORT POST

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Improving the Voice of America," published in the Bridgeport Post for June 21, 1949, which appears in the Appendix.]

EDITORIAL COMMENT ON EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

[Mr. LUCAS asked and obtained leave to have printed in the RECORD several editorials commenting on proposed legislation to extend the Reciprocal Trade Agreements Act and the expansion of world trade, which appear in the Appendix.]

PULLORUM DISEASE OF POULTRY—LETTER FROM THE POSTMASTER GENERAL TO SENATOR LANGER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me under date of June 23, 1949, by the Postmaster General relative to the shipment of diseased chicks, together with the regulations under which people in the State of North Dakota may protest the shipment of these chicks through the mails.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 23, 1949.
HON. WILLIAM LANGER,
United States Senate.

DEAR SENATOR: This will acknowledge your letter of June 3, referring to one you received from the Poultry Improvement Board for the State of North Dakota, relating to the efforts of that board and the North Dakota Livestock Sanitary Board to regulate the movement into North Dakota of day-old chicks from other States on account of the pullorum disease of poultry.

It is understood the North Dakota law would prohibit entry into North Dakota from any other State of any shipment of day-old chicks unless certified as having originated from pullorum-free parent stocks. This is a subject which has been carefully considered not only in connection with the North Dakota law but with respect to similar laws in several other States. I regret to have to say there appears to be no statutory provision under which the purpose of these State laws could be carried out so as to regulate or restrict the movement by mail of such shipments.

This Department has, however, been glad, when so requested, to publish instructions for the benefit of postmasters and mailers and notices of this kind have appeared from time to time in the Postal Bulletin. Such a notice with respect to the North Dakota law appeared in the Postal Bulletin of July 14, 1944. A copy of this notice is being enclosed, from which it will be seen postmasters have been directed to invite the attention of shippers to the provisions of your State law and to point out the fact that any parcel which is not accompanied with a certificate showing testing and freedom from pullorum disease may be subject to seizure by State officials after delivery to the addressees.

Because of the time elapsed since these instructions were issued and in order to bring the matter again to the attention of postmasters and mailers, the notice relating to your State law will be republished in an early edition of the Postal Bulletin. It is hoped

that this reminder will be helpful in accomplishing the purpose you have in mind.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

[Reprint of notice which appeared in the Postal Bulletin of July 14, 1944]

INSTRUCTION OF THIRD ASSISTANT POSTMASTER GENERAL

PULLORUM DISEASE OF POULTRY

Under the State laws of Utah and North Dakota, parcels containing day-old chicks, turkey poults, and hatching eggs for shipment into these States are required to be accompanied with a certificate showing they originated from pullorum-tested or pullorum-free flocks. Postmasters should convey this information to shippers who present such parcels for mailing to points within either of these States and, although the parcels should not be refused acceptance, it may be pointed out to the senders that parcels which are not accompanied with certificates as to testing and freedom from pullorum disease may be subject to seizure by State officials after delivery to the addressees.

LABOR-FEDERAL SECURITY APPROPRIATIONS—CONFERENCE REPORT

Mr. CHAVEZ submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, 12, 13, 15, 19, 26, 29, 35, 36, 37, 38, and 40.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 16, 17, 18, 20, 27, and 28, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,975,600"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$16,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$18,900,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$10,725,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$5,350,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,675,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,575,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,367,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$325,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$996,800"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 25 and 39.

DENNIS CHAVEZ,
PAT MCCARRAN,
HOMER FERGUSON,
CHAN GURNEY,

Managers on the Part of the Senate.

JOHN E. FOGARTY,
E. H. FREDRICK,
CHRISTOPHER C. MCGRATH,
CLARENCE CANNON,
FRANK B. KEEFE,
ERBERT P. SCHRYVER,

Managers on the Part of the House.

Mr. CHAVEZ. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the report was considered and agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3333, which was read as follows:

IN THE HOUSE OF
REPRESENTATIVES, U. S.,
June 23, 1949.

Resolved, That the House agree to the conference report to the bill (H. R. 3333) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes";

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"Research facilities, National Institute of Dental Research: For the preparation of plans and specifications for suitable and adequate buildings and facilities for the use of the National Institute of Dental Research,

as authorized by section 5 of the National Dental Research Act, approved June 24, 1948 (Public Law 755, 80th Cong.), \$100,000, to remain available until expended, which amount, except such part as may be necessary for incidental expenses for the Public Health Service, shall be transferred to the Federal Works Agency for the performance of the work for which the appropriation is made."

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following: "there is further appropriated for such account \$33,000,000 for each of the fiscal years 1950, 1951, 1952, and 1953, and not to exceed \$34,852,000 for the fiscal year 1954, in all not to exceed \$166,852,000 for military-service credits under the Railroad Retirement Act, as amended, and before the final payment hereunder the Railroad Retirement Board shall certify to the Bureau of the Budget the total amount due on account of such military service credits: *Provided further*, That."

Mr. CHAVEZ. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 25 and 39.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Mexico.

Mr. LANGER. Mr. President, will the distinguished Senator tell us just what is the result of the recessions on the part of the House to certain Senate amendments?

Mr. CHAVEZ. From the total appropriations made by the Senate we took off \$22,027,380. That results mainly from dividing some of the items which were included by the Senate. As to the appropriation for railroad retirement, the Senate amendment called for the appropriation of the total amount in four annual installments. We agreed that it should be paid in five annual installments. That accounts for most of the reduction in the total. Let me say to the Senator that as a whole the items of increase included by the Senate, even on the floor, were generally retained in the conference.

Mr. LANGER. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

LABOR AND MANAGEMENT DUTIES AS SEEN BY POPE PIUS XII—ARTICLE FROM UNITED STATES NEWS AND WORLD REPORT

Mr. MCCARRAN. Mr. President, inasmuch as the Senate is now dealing with the subject of labor and labor legislation, I deem it appropriate to have inserted in the RECORD an article published in the United States News and World Report of June 17, 1949, entitled "Labor and Management Duties as Seen by Pope Pius XII."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR AND MANAGEMENT DUTIES AS SEEN BY POPE PIUS XII

It is with equal solicitude and the same interest that we see coming to us, each in turn, the workers and the representatives of industrial organizations, and both, one and

the other, express to us—with a confidence that deeply touches us—their respective worries and problems.

Thus, while welcoming you with our whole heart, we most willingly take, dear sons, the opportunity that you afford to us of expressing our paternal pleasure and also to praise your zeal in spreading the Christian social doctrine in the economic world.

We allude to the worries and problems of those engaged in industrial production. Both false and evil in its consequences and, unhappily, only too widespread, is the prejudice which sees in those problems irreconcilable opposition between the various interests. That opposition, however, is merely apparent. In the economic sphere there is a community of activities and interests shared by leaders of industry and the workers. To disregard this mutual bond, or to endeavor to break it; can only be but the pretension of a blind and unreasonable despotism.

Employers and workers are not unreconcilable enemies. They are collaborators in a common effort, they eat, so to speak, at the same table since they live, eventually, from the gross or net profits of the national economy. Each has his income, and in this respect their mutual relations are not subordinated, one to the service of the other.

To earn one's living is an attribute of the personal dignity of anyone who, in one form or another, makes his contribution to the service of the national economy. In the balance sheet wages may figure as employers' expenses, but from the point of view of national economy, they are the expenditure of natural assets used for national production and, in consequence, must be in continual supply.

It follows that both parties have an interest in seeing that the cost of national production be in proportion to the returns. Since, however, the interest is mutual, why can it not find mutual expression in a common formula? Why should it not be lawful to give workers a fair share of responsibility in the establishment and development of national economy—and that nowadays more than ever when the scarcity of capital and difficulties of international exchanges paralyze the free flow of expenditure on national production? Recent attempts at socialization have only made this sad reality even more clear. It is a fact; and neither has bad will of one side created it, nor can good will on the other side eliminate it.

While, then, there is still time, why not deal with the subject, in full appreciation of common responsibility, in such a way as to safeguard one side from undeserved diffidence, and the other from illusions that would not be long in becoming a social danger?

For this community of interest and responsibilities, in the sphere of national economy. Our ever memorable predecessor, Pope Pius XI, had already suggested a suitable and concrete formula, when in his encyclical *Quadragesimo Anno* he recommended professional organization in the various branches of production.

In fact, nothing seemed to him to be more fitted to overcome economic liberalism than the establishment of a statute of public law, for social economy, based precisely on the mutual responsibility of all those sharing the work of production. This passage of the encyclical around a series of objections. Some saw in it a concession to modern political opinions, while others regarded it as a return to the Middle Ages.

It would have been incomparably wiser to put aside old and inconsistent prejudices and come together, wholeheartedly and with good will, for the realization of such a project with its many practical applications.

Unfortunately, this part of the encyclical seems now to present us with yet another example of the ripe opportunity being missed,

because it was not grasped at the right time. Subsequently, there have been attempts to elaborate other forms of juridical and public organization of the social economy, and at the present time preference is given to state and national ownership of industry.

There is no doubt that the church, too, within certain just limits, approves nationalization and holds that one may legitimately reserve to public authority certain kinds of assets, namely those which are of such power and importance that they cannot be left in the hands of private individuals without endangering the common good. (From *Quadragesimo Anno*.)

To make nationalization, however, the normal rule for public organization of economy would be to reverse the order of things. The object of public law is, in fact, to serve private rights, and not to absorb them. Economics are not, by their nature, a state institution, any more than any other branch of human activity. On the contrary, they are the living product of the free enterprise individuals and of groups of individuals freely constituted.

Neither would it be correct to say that all private enterprise is, by nature, a society in which the relations between the collaborators be determined by the rules of distributive justice in such a way that all, without distinction—be they owners, or not, of the means of production—would have a right to share in the property, or at least in the profits of the enterprise.

Such a concept starts with the assumption that all enterprise, by its nature, comes within the sphere of public right. This assumption is false, whether the enterprise be constituted in the form of a foundation or an association of all the workers as coproprietors, or it be the private property of an individual who signs a work contract with his workers: it is amenable to the private juridical order of economic life.

All that we have just said refers to the juridical nature of enterprise as such, but the term "enterprise" can admit another entire category of other personal relations between collaborators, which must not be forgotten, and also the relations of mutual responsibility.

The proprietor of the means of production—whether he be an individual, or an association, or a foundation of workers—must always remain the master in economic decisions, within the limits of public economic law. It is obvious that the share of the proprietor will be larger than that of his collaborators; but it follows that the material well-being of all the members of the nation—which is the aim of social economy—obliges him more than the others to contribute to the increase of national assets by savings.

Just as one must not forget that it is of supreme benefit to a sound social economy that this increase in assets should come from as many sources as possible, it is also greatly to be desired that the workers, too, should be able, as a result of their savings, to share in the building up of national assets.

Many men of industry, non-Catholics and Catholics such as you, have at various times expressly declared that the social doctrine of the church—and that doctrine alone—is capable of providing the essential elements for a solution of the social question.

Undoubtedly, the putting into practice of this doctrine cannot be done in a day. Its realization requires of all wisdom, perspicacity and foresight, together with a large amount of common sense and good will. It requires of them, above all, a radical resistance to the temptation of each working for his own advantage at the expense of the others—regardless of the nature and form of their participation—or at the expense of the common good. It requires that altruism

which only true Christian virtue, strengthened by the help and grace of God, can inspire.

To bring this help and grace on your association and its internal growth and external diffusion—particularly in those countries which, even though Catholic, need, however, to give wider consideration to the social teaching of the church—we give, with all the effusion of our heart, to yourselves and your association, and under the powerful patronage of the mother of divine love, our apostolic blessing.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND], for himself and other Senators, to the substitute offered by the Senator from Utah [Mr. THOMAS] for the original language of the bill.

Mr. TAFT. Mr. President, I understand that the Senator from Illinois [Mr. LUCAS] intends to seek a unanimous-consent agreement. If so, I suggest that he give notice of it, so that it will not be necessary to have another quorum call at that time.

Mr. LUCAS. Mr. President, I appreciate the suggestion made by the distinguished Senator from Ohio. I hope, within the next few minutes, to seek a unanimous-consent agreement to vote on the Holland amendment, the amendment offered by the Senator from Illinois, and the Taft substitute. I am having the language of the request prepared. I now give notice to the Senate that I shall seek a unanimous-consent agreement in a short while.

Mr. HOLLAND. Mr. President, I should like to explain that there is a provision in the Thomas bill applicable to some of the questions which arose yesterday afternoon. Various questions were addressed to the junior Senator from Florida yesterday by his distinguished senior colleague [Mr. PEPPER] with reference to the interpretation and meaning of the amendment offered to the Thomas bill by the distinguished Senator from North Carolina [Mr. HOEY], the distinguished Senator from Ohio [Mr. BRICKER], the distinguished Senator from Kansas [Mr. SCHOEPPLE], and myself. I think it is only fair to supplement the answers which I gave at that time by inviting the attention of all Senators to the fact that section 404 of the Thomas bill, under title IV, makes provision for the inclusion in the Thomas bill, in that portion of it which would not be affected by our amendment, and would not be displaced, of the identical provisions of the Taft-Hartley Act with reference to the nonapplication of injunctive orders as against individual workmen in their individual capacity.

Section 404 of the Thomas bill, being a portion of title IV of that bill, under the heading "Miscellaneous provisions," includes, and will continue to include in the pending measure, as I understand, in the same words as those now employed in the Taft-Hartley Act, a provision on

the subject which engaged the interest of my distinguished colleague and others on the floor of the Senate yesterday. I quote the provisions of section 404 of the Thomas bill:

SEC. 404. Nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service without his consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this act.

INTERNATIONAL REFUGEE ORGANIZATION—FOREIGN POLICY—RELATIONS WITH CHINA

Mr. BREWSTER. Mr. President, I should like to refer to the displaced persons situation, which was discussed yesterday. There was a rather unanimous expression of opinion, aside from the Senator from Nevada [Mr. MCCARRAN], that it was very regrettable that action had not been taken on this matter. There was a great deal of expression of regret that the United States had not, perhaps, done its full share on this problem.

In justice both to the Congress and to the country, I wish to say a few words which may seem to some extent to justify the proposition that the United States has been extremely generous in connection with dealing with this problem, without undertaking to defend the precise legislation of last year, for which I did not vote. I supported the so-called Fellows bill, a House bill, which represented a somewhat more generous attitude.

I have before me the report of the Committee on Expenditures in the Executive Departments, filed last week. I wish to call attention to certain figures in that report with regard to the plan for the International Refugee Organization. The report, No. 476 of the Eighty-first Congress, first session, was filed on June 8, 1949. There was allotted to the United States, as its share of the contributions for the support of the International Refugee Organization, the amount of approximately 40 percent. That was to be the contribution of the United States. The exact figures, as shown in appendix D, on page 38, are for the United States of America, administrative expenses, 39.89 percent; and for operating expenses, 45.75 percent.

Now let us look at the actual contribution in proportion to what was allotted to us as our equitable share. In Appendix E, for the contributions received as of March 18, 1949, for the fiscal year 1947-48, we find that the United States of America has contributed \$71,024,899 out of a total of \$117,110,461. In other words, the United States has contributed more than 61 percent. I think that fact may well be borne in mind by all of those who are concerned as to whether the United States has responded in sufficient measure to the appeal of this great humanitarian cause.

I come now to appendix F.

(At this point Mr. BREWSTER yielded to Mr. LUCAS, who proposed a unanimous-consent agreement, and debate ensued, which, on request of Mr. BREWSTER, and by unanimous consent, was ordered to be printed at the conclusion of Mr. BREWSTER's speech.)

Mr. BREWSTER. Under appendix F, on page 39 of the report, there is a list of the contributions due and received by the International Refugee Organization as of March 18, 1949, for the fiscal year 1948-49. The other tabulation was for 1947-48. I find that we have contributed to that portion \$52,982,796 out of a total of \$86,365,170, or somewhat more than 53 percent.

Mr. LANGER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from North Dakota?

Mr. BREWSTER. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. I wonder whether the Senator's figures are not inaccurate. Is it not true that under the International Refugee Constitution German children are not included?

Mr. BREWSTER. I was not speaking in regard to that. I think probably that is the case.

Mr. LANGER. Is it not true that we have appropriated millions upon millions of dollars, so that the Army in Europe could feed those millions of German children?

Mr. BREWSTER. Unquestionably.

Mr. LANGER. In other words, the constitution which was adopted took care of all the children in the world except German children.

Mr. BREWSTER. I do not think that is quite accurate.

Mr. LANGER. With the exception of Japan.

Mr. BREWSTER. I think there is also considerable difficulty, to which I shall refer shortly, in the Middle East. I shall speak about that. But in connection with this program, to which we have contributed from 61 percent to 63 percent of the total funds received by the IRO in the past 2 years, we were only supposed to contribute 45 percent. That shows whether America has been exceedingly generous.

Mr. LANGER. But in connection with the percentage stated, the money which the Army spent for the German children should be added.

Mr. BREWSTER. I think there are several other items which should also be included.

I was also interested to read from this report of the Committee on Expenditures in the Executive Departments, filed on June 8, 1949, 2 weeks ago, the following statement regarding the Jewish displaced persons. I read from page 32:

5. JEWISH DISPLACED PERSONS

The subcommittee learned that considerable internal conflict arose in connection with the movement of Jewish displaced persons to Israel.

When the IRO assumed its responsibilities for displaced persons and refugees on July 1, 1947, there were approximately 156,000 Jewish displaced persons in the camps and assembly centers which the Organization took over from UNRRA. At that time, the IRO took over existing agreements between

UNRRA and the Jewish Agency for Palestine under which the IRO was to move 1,500 Jewish persons per month to Palestine for resettlement so long as Great Britain remained the mandatory power there. Discussion was subsequently begun with a view to moving a considerably greater number as soon as the mandatory power withdrew.

When Great Britain withdrew from Palestine, however, difficulty arose within the IRO Secretariat and policy staff with respect to the policy to be followed. A top-level official, following the position of his government, maintained that there should be no further IRO movement of Jews to Palestine until a complete solution and agreement was reached between the Arab countries and the new state of Israel, with United Nations approval.

It has never been reached as a result, in substantial measure, if we believe current reports, of the intervention of our own State Department to block the agreement which was reached between Egypt and Israel as to that situation.

I shall not read further, except to quote from page 33:

As staff discussions developed it became quite clear that there was considerable anti-Jewish feeling among a number of the staff members.

The committee goes on at considerable length to condemn the attitude of the IRO, to which we are contributing 61 percent of the money. They are discriminating in the administration of the act against the one group in this country who were assisting their fellow religionists to move to Palestine, where they would be able to look out for themselves. In other words, the one group in the world who were trying to take care of their own people, who were assisting them to go to Israel, where they would be able to develop self-sufficiency, were being blocked by the IRO, to which we were contributing 61 percent of the money. I shall refer in a moment somewhat further to the situation in the Middle East, but I want to discuss for a moment this matter of the displaced persons.

So far as Europe is concerned our foreign policy throughout the world seems to be, with the closing of the Paris Conference, in a state of almost complete collapse. How one can reconcile the contradictions in our policy which are evident in every phase of the world situation it is impossible to conceive. We have before us on the table, held there last night, the nomination of two diplomatic representatives. One is an Ambassador to Czechoslovakia, the other, an envoy to Hungary. Both of these gentlemen so far as I know are worthy. Mr. Briggs comes from my own State of Maine, and has been in the diplomatic service for a long time. Any retention of this appointment upon the table indicates in no way any question about Mr. Briggs or his capacity to serve. The same thing is true in regard to Mr. Davis serving in Hungary. What it does present however, is the question which is presented to our Secretary of State as to why he is wasting our time and money and violating our own principles as enunciated by him recently in his statement regarding Spain, by sending an Ambassador to Czechoslovakia. It became apparent yesterday when we were discuss-

ing this matter that one of the reasons we have to appropriate \$60,000,000 to assist the refugees is because Czechoslovakia has taken such an attitude that hundreds of thousands of the residents of that country have been compelled to leave the country, now under totalitarian domination reflecting the Moscow policies, and go to other countries, where they become refugees. We are then obliged to take them over.

In the case of Spain, Mr. Acheson, the Secretary of State, enunciated very clearly that we should not send an ambassador to Spain; first, he said, because the appointment of an ambassador had no significance anyway, that it was an utterly meaningless thing, and that it did not matter whether we had an ambassador or a chargé d'affaires, for either could equally well serve. If that be correct, why do we send an ambassador to Czechoslovakia, when that nation not only is violating every principle which he laid down, but, in addition, it is driving thousands of its citizens out into the arms of a cold world—

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BREWSTER. I shall be happy to yield to the Senator from Ohio.

Mr. TAFT. I do not know whether the Senator from Maine has read Mr. Acheson's statement issued on May 1, in which he refused to send an ambassador to Spain. He said that this whole thing about having an ambassador is unimportant. He says it is important only if it becomes a symbol of something else, and if it ceases to be a symbol, it would not make any difference to anyone whether we had an ambassador or whether we had not.

What does the Senator think about the appointments pending on the present Executive Calendar of a minister to Hungary and an ambassador to Czechoslovakia, which countries are completely controlled by Communists? Is not the appointment of an ambassador to Czechoslovakia a symbol, just as much as is the appointment of an ambassador to Spain—a symbol of the fact that apparently we approve of the government in Communist countries and we do not approve the Government of Spain?

Mr. BREWSTER. I think the situation is even more pointed, because in the case of Hungary a minister is involved, and not an ambassador. In the case of Hungary our Minister was obliged to leave. He got out of the country approximately 3 hours ahead of the time when the Hungarian Government requested his recall, because he dared to stand up and speak for the very principles to which Mr. Acheson paid such glowing tribute. In other words, because that country was abusing every right which we recognize, in the case of Cardinal Mindszenty, and, later, in the case of the Methodist bishops whom it abused, our Minister could not tolerate those actions, and because he reprimanded the authorities we had to bring our Minister home. Now we appoint another one in his place as a symbol of our abject surrender to the situation.

Mr. TAFT. The Senator recalls, perhaps, that one of Mr. Acheson's reasons for not recognizing Spain and sending

an ambassador there was that Spain did not have the essentials of individual liberty, the first essential being the writ of habeas corpus and an independent judiciary. Is the Senator advised whether there is in Hungary today the right to a writ of habeas corpus, and an independent judiciary?

Mr. BREWSTER. I think the Catholic and Protestant bishops who have been in the hands of the Gestapo there would be very much interested to discover some such right, some right to be tried in a tribunal which would give them the very elemental human rights for which Mr. Acheson so eloquently plead.

Mr. TAFT. Is the Senator advised whether there is any writ of habeas corpus in Czechoslovakia at this time?

Mr. BREWSTER. I think Mr. Acheson's legal mind would find it impossible to discover such a right. I was much intrigued by the fact that at the press conference the Secretary of State was asked how he reconciled his statement regarding Spain with his statement regarding Czechoslovakia and Hungary, and he answered that he did not care to discuss the matter. That was the only thing he was able to say to the press and to the people of the country as to how he could reconcile his action in that case.

Mr. TAFT. The Senator no doubt remembers that the second right was the right of trial by jury. Does the Senator know whether there is any right of trial by jury in Hungary or in Czechoslovakia?

Mr. BREWSTER. As I understand, Cardinal Mindszenty was condemned by a court, a judicial tribunal, and is now languishing in prison without any of those human rights which we have deemed essential in this country.

Mr. TAFT. Mr. Acheson says:

Then there is the question of religious liberty, which is fundamental to a free exercise of the human personality. That right does not exist in Spain.

Is the Senator advised whether it exists in Czechoslovakia or Hungary?

Mr. BREWSTER. The cases which have brought the subject to the attention of the world are a complete refutation of any idea that religious liberty can be practiced in those nations.

Regarding Spain, the current constitution of Spain does provide for religious liberty, not of the sort we have here, but, at any rate, it allows under its terms the practice of any religion, not in the entirely public and ostentatious manner we have here. At least, it goes one step ahead of what is allowed in Czechoslovakia or Hungary. As a matter of fact, the law relating to the expulsion of the Jews was expressly repealed by the Franco government in the past 2 years.

Mr. TAFT. One of the other complaints Mr. Acheson makes regarding Spain is this:

Then there is the right of association—association in political activities, association in trade-union activities, association in benevolent activities.

Do any of these rights of association exist in Hungary or in Czechoslovakia?

Mr. BREWSTER. I think, according to Eric Johnston, who has visited over there, the entire Communist theory now

applied in Russia and in the satellite countries is to send anyone who asserts such a right to Siberia or some similar place to languish there until he meets an untimely end.

Mr. TAFT. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. Hill in the chair). Does the Senator from Maine yield to the Senator from Ohio?

Mr. BREWSTER. I yield.

Mr. TAFT. Does the Senator see any logic whatever in the position of the State Department in nominating a minister to Hungary and an ambassador to Czechoslovakia and its refusal to recognize Spain and to send an ambassador to Spain?

Mr. BREWSTER. I have been entirely unable to see any logic in that position. I appreciate the statements made by the chairman of the Committee on Foreign Relations and by the ranking minority member on the Republican side of the Committee on Foreign Relations when the matter of Spain was up for discussion, indicating that they had no sympathy for our policy in that regard, and felt that our relations with Spain should be normalized, which would be the only way in the world we could preserve any measure of self-respect before the peoples of the world.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I shall be happy to yield to the Senator from Mississippi.

Mr. EASTLAND. With regard to the situation which the Senator has been describing, does it not look as if religion had something to do with it, and that probably the Ku Klux Klan has too much influence in the State Department?

Mr. BREWSTER. I had not pursued the matter that far. I do not know just what the religious background of the problem is, but, certainly, if we are to retain any measure of self-respect before the nations of the world, it seems to me we must have a consistent policy and follow it through.

I again emphasize that in deferring consideration of the Ambassador to Czechoslovakia and the Minister to Hungary, it is a matter of policy which is involved, not a matter of personalities or individuals.

In a moment I want to refer, also, to Mr. Butterworth, who represents the Chinese policy of the administration, and to discuss somewhat the implications of the consideration of his name at this time. But before I leave the matter of ambassadors and ministers and our diplomatic representatives, I want to refer for a moment to one other nomination which has caused some comment in the press because of what apparently was considered its somewhat unusual aspects. That is the case of the recent nomination of Mrs. Mesta to represent this country in the Duchy of Luxemburg. Some question has been raised regarding her qualifications for that position. As a life-long advocate of the rights of women to participation in political affairs, it has been profoundly gratifying to me and, I know, to many on this side of the Chamber, to see the extent to which women are moving into the affairs of government and receiving some meas-

ure of recognition, however belated, to which they are entitled by the contribution which they can so obviously make. We have been delighted this year to welcome into our own ranks, on this side of the Chamber, a woman, a representative not merely of the State of Maine, but one who has also gained the confidence of the country in her short service in the Congress as a representative of American womanhood; and it is a matter of profound gratification that on the other side of the aisle, in the administration, more and more women are coming to be recognized as capable of serving in more and more responsible positions.

It is for this reason, speaking not only because of my association with my colleague, but as one who for a great many years has advocated this further recognition, that I think the designation of Mrs. Mesta is one which may be very happily received. This is not a result of her social activities in Washington, which have been very generously referred to, but in my own experience I have had contacts with her in many of her charitable and church activities over a considerable period, so I think I speak with certain knowledge.

I spoke here sometime ago regarding the nomination of Louis Johnson, who, it was alleged, was nominated primarily because he had raised Democratic campaign funds. I said I did not think that was any disqualification. I do not believe the fact that a man or a woman takes a keen interest in the activities of political parties and in the raising of political funds disqualifies him or her from participating in the Government. I wish to say about Mrs. Mesta what I said regarding Louis Johnson. As vice chairman of the campaign fund-raising committee I understand she did yeoman work, for which she was well qualified. I do not think that disqualifies her for other recognition.

As I said in the case of Louis Johnson, the question is not whether persons have been active politically, but whether they are qualified for the positions to which they have been chosen. I think it would be well for the society gossip columns of Washington to pause for a moment in the discussion of her talents as a hostess, and point out perhaps some of the other activities of her distinguished career which I think are well worthy of attention. I would say that one qualification which should commend her as a Minister to Europe is that she is, I think, one of the few people in this country, men or women, who, having received a substantial fortune some 25 years ago, retains that fortune today. I think any woman or man who has demonstrated capacity to survive all the depressions of the past, and to be ready to go forward if we are to have a depression in the future, must have something besides the capacity to act as a gracious host or hostess. On that one consideration alone, I do not think America is likely to lose its shirt as a result of Mrs. Mesta representing us in Europe, and that I cannot say of all the diplomats we have sent abroad. I am glad we are sending that kind of a person abroad to represent us, someone who in

her own right has demonstrated competence to care for the responsibility entrusted to her.

Moreover, Mrs. Mesta has also been conspicuous both in her charitable and church activities, demonstrating qualities which indicate that she will be neither a dipsomaniac nor senile, and that is more than we can say of many of those whom we have in the past entrusted with the responsibility of representing us abroad.

I fear that even in the present we could not boast of having an entirely clean slate. I shall not particularize, but I think it appropriate to ask the defenders of masculine splendor and glory to contemplate a few of the representatives we have abroad wearing pants before they say too much about Mrs. Mesta and her capacity worthily to represent this country in the Duchy of Luxemburg at this time.

Mr. LANGER. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. I am delighted at the attitude taken by the distinguished Senator from Maine. I might say that Mrs. Mesta comes from the western section of the country. She lived for a long time in the State of Oklahoma. She is a very democratic woman. Not only that, but I think she is perhaps as well acquainted with people who have come to the United States from foreign countries, and have been the guests of our Government, as perhaps any woman in the United States. I am delighted at the attitude of the Senator, and I hope Mrs. Mesta's nomination will be confirmed by the unanimous vote of the Senate, as I believe it should be.

Mr. BRIDGES. Mr. President, will the Senator from Maine yield that I may ask the Senator from North Dakota a question?

Mr. BREWSTER. I may say that I agree with what the Senator from North Dakota has said. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I should like to ask the Senator from North Dakota if we have an ambassador or minister to any foreign country from the State of North Dakota.

Mr. LANGER. No. At one time, about 40 years ago, we had a minister by the name of Edwards—Major Edwards—who was consul at Quebec.

Mr. BRIDGES. Has the State of North Dakota not received any recognition since that time?

Mr. LANGER. Not for the past 40 years.

Mr. BRIDGES. That is a long time.

Mr. LANGER. It is a long time. We have made application for the appointment from North Dakota of an Ambassador either to Norway, Sweden, or Denmark, preferably to one of those three countries, or to Finland. As the Senator knows, there is a large Scandinavian population in my State. It happens, however, that the Ambassador to Norway comes from the neighboring State of Minnesota, and he is very popular in Minnesota and North Dakota. So we somewhat share the reflected glory of Minnesota in having the Ambassador to

Norway. But I hope that sometime in the not dim or distant future, with the help of the distinguished senior Senator from Michigan [Mr. VANDENBERG], North Dakota may furnish an ambassador to Norway, Sweden, or Denmark.

Mr. VANDENBERG. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield to the Senator from Michigan.

Mr. VANDENBERG. I cannot do a thing with the President until we can win an election intervening.

Mr. BRIDGES. I thought of asking the distinguished Senator from North Dakota if he expected anything from this administration by way of the appointment of an ambassador or minister, or whether he would have to look forward to $3\frac{1}{2}$ years from now, when conditions had been changed.

Mr. LANGER. My judgment is we will have to wait until we get a Republican administration.

Mr. BREWSTER. I am sorry to defend the administration, but Ellis O. Briggs, whose nomination as Ambassador to Czechoslovakia is on the Executive Calendar, is a resident of Maine, and I even suspect he is a Republican, so I am not questioning the impartiality of the administration.

Mr. LANGER. I am living in hope. I have very great hope that one of these days somebody from North Dakota will get one of these diplomatic appointments. We have many qualified and competent men and women there who would make excellent representatives from this country, and I hope we will get one of them appointed soon.

Mr. BRIDGES. Mr. President, my reason for asking the question was that I heard the Senator from North Dakota voice that hope several years ago, and I wondered if anyone had been appointed. It was natural curiosity on my part to ascertain whether the Senator had been successful.

Mr. LANGER. I am very sorry to inform the Senator that up to the present time the hopes of the people of North Dakota have not been realized.

Mr. BRIDGES. I heard the Senator from Maine refer to Mr. Butterworth, who has just been appointed Assistant Secretary of State. I do not care to enter into a discussion of Mr. Butterworth now, because I expect to speak on the nomination when it comes before us on the floor of the Senate, but I may say that I think if some of the appointments being made are in the same category with Mr. Butterworth's, who is the symbol of failure and of a tragic era, in our relationship with China, it is a sad commentary on the wisdom of the administration.

Mr. BREWSTER. I think the Senator from New Hampshire was not in the Chamber when I indicated that very shortly I wish to refer to that matter, as it seems to me that the Senate should interpret this whole situation.

It was the Secretary of State, Mr. Acheson, who said that the sending of an ambassador to Madrid would be a symbol. Certainly the confirmation of Mr. Butterworth would be a symbol of our approval of a policy which has appar-

ently been an utter failure. How much Mr. Butterworth was responsible is an appropriate matter for consideration, as well as the question whether it is wise to promote him upstairs, in the light of this record of collapse in the Orient, which is a matter of increasing concern not only to every Member of the Congress but I think to everyone in this country. I hope the Senator from New Hampshire may think of it well in advance of his nomination being brought up before us. Nominations usually come at the close of a day, in the consideration of executive business. I think this matter should be discussed in advance of the time when it is brought up, so that we may bring home to the American people something of the implications of Mr. Butterworth's appointment.

Mr. BRIDGES. I wish to say to the Senator from Maine that I do not know whether Mr. Butterworth formulated the policies, or whether Mr. Butterworth took orders from those who did formulate the policies, but in either case he is a symbol of failure, he is a symbol of a policy which failed in one of the greatest areas of the earth.

Mr. BREWSTER. Mr. President, I think it would be well to have a report on the attitude of the Committee on Foreign Relations. I notice present at this time the ranking minority member of the committee, and if it would not embarrass him, I should be glad to know whether the action of the committee on the nomination of Mr. Butterworth was the unanimous action of the Committee on Foreign Relations.

Mr. VANDENBERG. Mr. President, I think that is a fair question, and I am certainly not in the slightest embarrassed to answer it.

When Mr. Butterworth's nomination came to the committee for action, the committee was unanimous in its action, except for the attitude of the senior Senator from Michigan. The senior Senator from Michigan did not want to vote against Mr. Butterworth because he considered that he is one of the most distinguished and able career men in the career service, and that in his relationship to the far eastern question he is not the responsible actor in the drama. The senior Senator from Michigan did not wish, by his vote on the confirmation, to register any sort of a black mark against Mr. Butterworth himself.

On the other hand, the senior Senator from Michigan thought it was a very great mistake in public policy, in the appointment of a new Assistant Secretary in charge of far eastern affairs in general, and in China in particular, not to bring a fresh point of view to the assignment, rather than simply to continue the regime which, for one reason or another, is inevitably connected with a very tragic failure of our policies in the Far East.

Therefore the senior Senator from Michigan voted "present" on the roll call, and declined to vote approval, although also declining to vote disapproval, which might be interpreted as a personal disapproval of Mr. Butterworth himself.

What the appropriate attitude should be on final roll call in the Senate I am

not yet prepared to say. I feel very keenly, on the one hand, that an able career servant in the diplomatic service should have his record carefully protected against any debits which are unfair.

On the other hand, the senior Senator from Michigan continues to feel very deeply that our attitudes during the last few years in connection with the China policy have been often unfortunate, and certainly in net result unsuccessful. It seems to me the course of wisdom would have been to cut the string, so to speak, in the continuity of a policy that has failed; and without any reflection whatever on Mr. Butterworth himself, to have established a new and a fresh point of view to indicate at least that we are proposing an independent assessment of the new situation which we confront.

Mr. BREWSTER. Mr. President, I am very grateful to the Senator from Michigan for his contribution. The Senator will recall a discussion had, I think a year or so ago, as to the extent to which the Senate, under its constitutional responsibility and the evolution of our foreign relations, may properly go in expressing an attitude on the detail policies. We have the responsibility under the Constitution to advise and consent both as to nominations and as to treaties. The Senator from Michigan at that time said that that power, so far as our advice here, and public discussions here, are concerned, must be exercised with great restraint; that we could not take the position of back-seat drivers constantly discussing from day to day every detail, with which we necessarily could not be familiar unless we were to neglect our other responsibilities.

On the other hand, as we move into an obvious position of world power and responsibility, is it not imperative that we here in this Chamber, moving to recognize our responsibility, shall in some further measure than has hitherto perhaps been the practice and the precedent, take up at intervals matters of this character, such as the one we are now discussing. A year ago, the resolution submitted by the Senator from Michigan regarding the North Atlantic Pact—perhaps 18 months ago; whenever it was—finally culminated in a resolution of advice.

Now, observing the evolution of the parliamentary process and observing the functioning of it under the parliamentary system in Britain and in other countries, is it not perhaps appropriate that in the promotion of men in the State Department considerations such as the Senator from Michigan suggests may properly be taken into account, and that, in this instance, with full understanding that we are not reflecting upon the individual, and are not challenging his loyalty or devotion, or even his competency, he is so closely identified with what has seemed to be a tragic failure, that it would not be wise and in the public interest that he should at this time receive recognition of that character?

Unless we are to move in that direction I see no indication that the administration, as now constituted, are likely to give to our views here the consideration

which seems to me to be essential if their policies are to command the confidence of the country as a whole.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Young in the chair). Does the Senator from Maine yield to the Senator from Ohio?

Mr. BREWSTER. I yield.

Mr. TAFT. Did the Senator read the column by Joseph Alsop in this morning's Washington Post, dealing with the conduct of the Far Eastern Division of the State Department with reference to Indochina?

Mr. BREWSTER. I did read it with much interest, and I think it has a very pertinent application.

Mr. TAFT. I call the Senator's attention to the fact that the statement is made that there is a new government in Indochina under the Emperor Bao Dai, which has received the sanction of the French, and which, according to Mr. Alsop, is the only possible agency by which the communization of Indochina may be prevented. Mr. Alsop raises the question:

Will the Far Eastern Division, having made its mess in China, at last adapt its views and actions to the foreign policy this country has been following in the rest of the world for the last 4 years? The outcome, it may be added, is still in doubt.

A symptom, a passing sputter, from this debate was the guarded statement issued by the Department on Tuesday expressing cool but not unfriendly interest in the new government being established in Indochina by the Emperor Bao Dai.

Then Mr. Alsop, who is usually a well-advised informant on matters that go on inside the present Government, proceeds to say:

Yet the statement that was just issued which could hardly be more cautious or gingerly, represents an elaborate watering down of a public avowal of sympathy for Bao Dai that was originally proposed. Equally, those who see the appalling danger now confronting us in southeast Asia have been urging the expenditure of ECA funds in Indochina. But the Far Eastern Division has succeeded in watering this project down also, to a decision to consider the matter.

Mr. President, that amounts to a statement that the Far Eastern Division is still being operated today with a pro-Communist attitude in the region of Indochina, which is the stepping stone to the communization of China to the communization of the East Indies, where we have many vital interests because of materials necessary for our country which comes from them.

Does the Senator from Maine feel that Mr. Butterworth is responsible for that apparent weakening in the position of those who are perhaps in outright support of the anti-Communist government of Indochina?

Mr. BREWSTER. I would put it in this way, that I think the Senate is entitled to clarification of those influences within the State Department, and the individuals concerned, that have evolved the policies of recent years. We have a right to consider whether those men are the ones who should be given further and more important responsibilities, such as here proposed for Mr. Butterworth, in the

determination and carrying out of policies as time goes on. It seems to me that that is entirely essential in our functioning.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. TAFT. I wonder if the Senator would be willing to have the article by Mr. Alsop inserted in the Record at the conclusion of his remarks?

Mr. BREWSTER. I would rather have it inserted at this point. I think it would be very appropriate in connection with the current discussion. I ask unanimous consent that the article by Joseph Alsop be printed in the Record at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE FOOT DRAGGERS
(By Joseph Alsop)

A crucial debate is now going on within the State Department. The issue can be crudely stated as follows: Will the Far Eastern Division, having made its mess in China, at last adapt its views and actions to the foreign policy this country has been following in the rest of the world for the last 4 years? The outcome, it may be added, is still in doubt.

A symptom, a passing sputter, from this debate was the guarded statement issued by the Department on Tuesday expressing cool but not unfriendly interest in the new government being established in Indochina by the Emperor Bao Dai. This sort of thing must seem immensely remote and trivial to the average American. But the unfortunate truth is that this sort of thing may later turn out to have all the importance of war or peace.

In brief, as reports from the scene have indicated in this space, the Communist power in Asia has reached the uttermost limits of safety. If the Soviet Union can extend its sphere beyond China, into Indochina, a chain reaction will become highly probable. All of southeast Asia will be threatened. If southeast Asia goes, Japan and India will be immediately menaced. And if this situation arises, the odds on war will be far better than even. It is tiresome to rehearse this series of grim probabilities, yet they must be daily borne in mind.

Indochina is the key, for two reasons. First, it is the state in southeast Asia most accessible to China. And second, French folly has caused the Communist-nationalist movement of Ho Chi-Minh to gain great strength among the Indochinese. The new regime of Bao Dai is the last chance to win over the Indochinese people to an independent, non-Communist government. On all sides it is acknowledged that if Bao Dai falls, Ho Chi-Minh will succeed.

Such are the bleak basic facts. The debate in the State Department concerns the extent of American support to be given to the new Bao Dai regime. As has also been reported from the scene in this space, Bao Dai is almost certain to fail if he is not actively supported by this country (since exclusive French support actually discredited him in the eyes of his people). The Far Eastern Division of the State Department is extremely reluctant, however, to support Bao Dai.

The reason for this reluctance is certainly not fear of offending the French. The French Government has actually hinted that American aid for Bao Dai, whom they have fully recognized, will now be exceedingly welcome. Furthermore, the European Division of the State Department, whose staff is a trifle more aware of the Soviet problem than the Far Eastern Division, has urged that the Bao

Dai experiment be promoted and assisted in any way possible.

Yet the statement that was just issued, which could hardly be more cautious or gingerly represents an elaborate watering down of a public avowal of sympathy for Bao Dai that was originally proposed. Equally, those who see the appalling danger now confronting us in southeast Asia have been urging the expenditure of ECA funds in Indochina. But the Far Eastern Division has succeeded in watering this project down also, to a decision to consider the matter.

The arguments that are being made for this foot-dragging approach may be superficially convincing. It is true that Bao Dai is a risky investment. But the fact remains that although supporting Bao Dai is by no means an ideal solution to the southeast Asia problem, it is the only solution available. The other approach is simply to drift with the tide, as we did in China, until we land on the rocks. And the rocks are now 10 times bigger and 10 times more sure to destroy us.

Such is the rather unpleasing choice confronting Walton Butterworth, the new Assistant Secretary of State for Far Eastern Affairs, who is not a Far Eastern Division man. His situation is further complicated by another grave fact. Although the members of the State Department Far Eastern Division have recovered from their sentimental delusion that far eastern Communists are mere reforming agrarians they still have their record in China hanging round their necks like an albatross. Their main aim now seems to be to prove that the albatross is not an albatross, after all, but a peacock or possibly a bird of paradise.

When officials have made one disastrous failure, their judgment should be suspect the second time 'round. This rule should now be followed. It must also be recognized that choosing the least bad alternative is preferable to drifting into the worst. Otherwise we shall have no policy at all in the deeply dangerous Asiatic situation.

Mr. BREWSTER. Mr. President, I should be most interested to know whether the Senator from Michigan would feel it appropriate to discuss any further the broader implications—without relation to Mr. Butterworth—and the extent to which the Senate and its Committee on Foreign Relations in their deliberations may take into account policies in connection with the discussion of the naming of individuals. To me it is an interesting constitutional question.

Mr. VANDENBERG. Mr. President, I am reluctant to engage in any sort of debate that goes to the merits of the issue at the moment, because the facts available to us are too inadequate for conclusive opinions. I think the situation itself is in a state of total flux.

With regard to the general philosophy of action to which the Senator refers, of course it is quite clear that under the theory of the Constitution the President of the United States is clearly our primary agent in foreign negotiations. I suppose the extent to which he enjoys or monopolizes that privilege, will always be a controversial equation. It will always be something of a twilight zone.

During the past 8 years, certainly, there has been a clear disposition on the part of the Executive to work in far more intimate cooperation and liaison with his constitutional partners in the Congress in respect to foreign policy. From my point of view it has paid very

large dividends in the resultant relative unity with which the Voice of America could be heard abroad.

Mr. BREWSTER. The 92 votes in the Senate for the United Nations is a monument to that collaboration on an entirely bipartisan scale.

Mr. VANDENBERG. It is; and the record of the Foreign Relations Committee under Republican control and leadership for the past two years, 1947 and 1948, during a Democratic Presidency, is the further and final exhibit. Upon at least 50 occasions, many of which made history with magnitude in its dimensions, the committee voted 13 to 0, with a conclusiveness which permitted the Voice of America to speak for America, and not for either an administration or an opposition within the Government.

As an inevitable result I am perfectly sure that the influence of the voice of the United States in foreign policy multiplied in proportion to the preservation of that unity. Therefore I say that the policy of consultation and cooperation between the executive and the legislative in respect to foreign policy has paid rich dividends. The extent to which it can be pursued is largely dependent upon the initiative of the Executive because of the primary constitutional prerogative which he enjoys under the Constitution. But I feel that the record which I have recited, and the record to which the able Senator from Maine has referred, should recommend to the Executive the closest possible liaison in respect to foreign affairs.

Mr. BREWSTER. Is it not necessary also to document the statement of the Senator from Michigan with the statement which he has previously made on the floor of the Senate, that unfortunately—and perhaps tragically in the case of China—that same degree of consultation has not prevailed in the past few years?

Mr. VANDENBERG. I am glad the Senator has asked that question. He has asked it before. On previous occasions I have categorically replied that there was no such liaison in respect to China policy. I wish to reiterate it, because I dissociate myself, as I have publicly done upon previous occasions, from the China policy which we pursued.

It is a very easy, simple matter to dissociate one's self from a policy. It is not quite so easy to assert what an alternative policy might have been. I concede that it is far easier to be critical than to be correct.

Pursuing the theme which the Senator presents today in respect to China, I am quite willing to testify that I think the President and the State Department would do extremely well to continue the attitudes they have displayed so generously in other directions by making very sure that any evolution of a new policy in the Far East and China comes completely into contact and review, at least with the Senate Foreign Relations Committee, before any commitments are concluded, because in this area we obviously face the conundrum of the ages. Yet it is a conundrum which has implications

and repercussions of very dreadful importance to our own country and our own people.

I say quite frankly that I hope, for example, that there will be no consideration of a recognition of a Communist government in China without complete preliminary contact and exploration of the subject with the Senate Foreign Relations Committee.

In conclusion, I say to the Senator that I think any Senator who wishes to rise on the floor of the Senate and discuss any phase of foreign policy at any time is not only well within his own rights, but he is entirely within a correct estimate of public duty.

Mr. BREWSTER. I am deeply interested in the Senator's remarks, and profoundly grateful for what the Senator from Michigan has said. As we survey the sorry picture in China against the background of the somewhat more hopeful picture in Europe, where consultation did prevail, I think the administration might well draw some lessons.

I think the Senator from Michigan has also stated that in the Middle East our policy in connection with Palestine and Israel had not been a matter of bipartisan discussion. I think the same may be said for South America, until the administration saw fit to accept the insistence of the Senator from Michigan that we reassemble the Rio Conference in accordance with our 2-year-old pledge at the time.

Mr. VANDENBERG. I can answer affirmatively down to the point where the Senator involves me personally, in the latter part of his statement. He is correct about Palestine. He is correct about the Middle East. He is more or less correct about South America. I could hardly rise and consent to the hypothesis that the action was taken as a result of the insistence of the Senator from Michigan.

Mr. BREWSTER. It did follow.

Mr. VANDENBERG. I must say that the Senator from Michigan had considerable to say on the subject.

Mr. BREWSTER. It seems to me that the Committee on Foreign Relations necessarily must be our point of contact. In the development of the United Nations under the leadership of Secretary Hull, the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan, an eight-man committee was constituted, with four Democrats and four Republicans, or three Republicans and one Progressive. At any rate, it was a bipartisan group. I have always felt that Secretary Hull, the Senator from Texas, Mr. Connally, and the Senator from Michigan, Mr. Vandenberg, were entitled to the profound gratitude of the country for blazing a trail which has demonstrated its utility, in contrast to the futility of the other course.

As to the discussion here, I think we must be guided, in substantial measure in such matters, in which we are naturally concerned and anxious, by the information we receive from those who are in a position to know. The British Parliament from time to time sets aside a day for the discussion of such questions, I believe; and as we more and more

assume world responsibilities; I think we should look forward to a periodic exploration of such matters, within the limits of the foreign policy, with those who are informed in regard to the situation, and I think we should be guided by the information we thus receive from those who are in a position to know, as is the custom in the British Parliament.

I do not hesitate to refer to the British Parliament and the experience and customs there, for Britain has been running the world for some time, and now we must in large part take over. Inasmuch as Cabinet officers do not appear before us, if certain members of the Foreign Relations Committee indicate that certain subjects should be explored from time to time, that will be most helpful, for we naturally have more confidence in the members of the Foreign Relations Committee than we would in Mr. Acheson's blithe comment, when certain criticisms which were made here are disposed of with the word "poppycock," or in his refusal yesterday even to discuss why he has sent ambassadors to Czechoslovakia and Hungary, although he will not name one to Madrid. At least there are some of the members of the Foreign Relations Committee on whom we may call to rationalize some of the actions of the State Department in the conduct of our foreign affairs.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Maine yield to the Senator from Michigan?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. I think I should make a comment. I like the reservation with which the Senator from Maine has just spoken in recognition of the fact that there are stages of foreign policy which cannot be thrown into the public discussion of the committee. Unfortunately, it is a type of negotiation, particularly when dealing with totalitarian opponents, which cannot be conducted persistently in a goldfish bowl. That results in two difficulties, so far as we are concerned. First of all, it results in a substantial embarrassment for members of the Foreign Relations Committee who, if the Chief Executive is to be wholly frank with them, have to withhold from their own colleagues information to which their colleagues are just as much entitled as they themselves are.

Mr. BREWSTER. Unless we ourselves recognize that the members of the committee may properly be the repository of some of those matters, and express our confidence in the members of the committee.

Mr. VANDENBERG. That is right. Personally, I have been very grateful, during the past few years, for the generosity with which my own colleagues on this side of the aisle have recognized that situation, and I am sure the other Republican members of the Foreign Relations Committee feel similarly about it.

The second thing about which I wish to be sure not to leave any misunderstanding is the perhaps implied criticism that the Foreign Relations Committee had not been wholly taken into con-

sultation in respect to all the various problems to which the Senator from Maine has referred. I make no complaint upon that score. I think it is the responsibility of the President and the State Department to determine the extent to which he wishes to invite congressional cooperation. By the same token, Congress is entitled to react according to the degree in which it has been taken, through its committee agency, into consultation.

But in relation to the things which have been developed on a bipartisan basis, what I am trying to say is that in respect to these problems, I have never sensed a single moment of partisan activity or inspiration or purpose in the bipartisan work which has been done. I think that is the great value which it has been able, in turn, to translate into the ultimate foreign policy of the country.

I have nothing but the greatest feeling of appreciation for the frankness and candor of the Democratic administration during 1947 and 1948 when a Republican was chairman of the Foreign Relations Committee. I have nothing but the greatest gratitude for the complete frankness with which the Republican chairman was treated. In accordance with the degree in which that candor can prevail, within the necessary limits of relative secrecy, the greater the degree in which that relationship can persist between the two ends of Pennsylvania Avenue, so far as the foreign policy is concerned, the safer our foreign policy will be, not only in its wisdom—because the larger the consultation the greater the chance of wisdom—but also the greater will be the chance that our foreign policy will be effective, because it is effective in the degree that it can be read abroad as the united voice of a united America. So long as it is a united voice, it will be invincible.

Mr. BREWSTER. Mr. President, I am sure the comments of the Senator from Michigan are in the highest degree pertinent to the current situation, and we trust that the administration may continue to consult, to the utmost degree compatible with what it conceives to be its interest, and along the lines indicated by the Senator from Michigan.

I raise one question, because it may serve as an object case: Within the past week, I had some discussions with one who had just returned from 6 weeks in Europe, one who, among those in our country, outside of those in official life, has perhaps the widest sources of information as to what goes on. He expressed the most profound concern that discussions may have proceeded at Paris recently regarding trading our position in Europe for the Russian position in China. I cite this only as an example, after the tragic example of the secret agreements which were entered into during the war, and as to which all of us now feel, in looking back, that American interests were most unfortunately involved, and perhaps our long-range interest sacrificed. Of course, all of us hope that there will not be a repetition of those errors.

So I was profoundly happy to hear the Senator from Michigan say that in the future evolution of our policy as to China

and elsewhere in the Orient, it would be most wise if the administration would reopen the bipartisan consultation with the members of the Senate Committee on Foreign Relations, which has given such strength, direction, and constancy to our policy, where it has prevailed, whereas in many instances disaster has resulted where it has not prevailed.

(At this point a message was received from the House of Representatives; following which Mr. BREWSTER yielded to Mr. HILL, who presented the conference report on the District of Columbia appropriation bill, which, with the ensuing debate, appears at the conclusion of Mr. BREWSTER's remarks.)

Mr. CONNALLY. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I am glad to yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, I regret I was not here at the beginning of the Senator's remarks, and that I heard very little of the discussion. I did hear the colloquy between the Senator from Michigan and the Senator from Maine a little while ago.

Mr. BREWSTER. I hope the Senator heard my comment regarding the work of Secretary Hull and the Senator from Texas and the Senator from Michigan, in building the monument of the United Nations, to which I always love to refer.

Mr. CONNALLY. I thank the Senator very much. He is very generous. What I rose to ask was whether the Senator believes there was any lack of candor between the President and the State Department on the one hand, and the Committee on Foreign Relations and other interested parties, on the other, in reference to transactions in China which had been going on for a number of years.

Mr. BREWSTER. I do not know whether the Senator from Texas heard the statement of the Senator from Michigan with regard to our foreign policy.

Mr. CONNALLY. I did not hear all of it. I came into the Chamber while the Senator from Michigan was stating that under his chairmanship frankness and candor prevailed.

Let me ask the Senator from Maine a question. He will remember that General Marshall, at the request of the President, made a trip to China to try to aid in adjusting the difficulties there.

Mr. BREWSTER. He was there for some 6 months.

Mr. CONNALLY. And does not the Senator remember that General Marshall returned to Washington, and later went again to China?

Mr. BREWSTER. Yes.

Mr. CONNALLY. Is the Senator aware of the fact that when the General returned, he appeared before the Committee on Foreign Relations to make a complete, detailed, and candid statement about his activities in China, a statement of his objectives, a statement of what he was trying to do to aid in the situation in China, both with respect to the National Government and with respect to the Communist forces in Manchuria? Is the Senator aware of that?

Mr. BREWSTER. No, I am not, as I think that was not a public statement.

That was in an executive session of the committee, was it not?

Mr. CONNALLY. It was, but the general was still in contact with the members of the Committee on Foreign Relations, who were deeply interested in those questions and were considering them. While it was not a public meeting, a great deal of that information finally reached the press.

Mr. VANDENBERG. Mr. President, may I interrupt the Senator from Texas?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. The Senator was not here earlier in the discussion. I have never felt, and I have always said that I did not feel, that the bipartisan foreign policy had been extended to China in any such degree or spirit as that in which it had been applied to the United Nations or to the operations under the United Nations, or to the Rio Treaty, and in respect to similar matters. In other words, while we were given the very frank reports to which the Senator refers, I do not feel that the directives which controlled our China policy were ever the result of the type of consultation and cooperation which we were permitted to contribute and to exercise in connection with other policies. I feel the same way about the policies in Jerusalem. I do not feel that those policies were developed in the same bipartisan degree of consultation and cooperation, from their inception, that applied to these other very great episodes and incidents in which we have had such complete, mutual, bipartisan activity.

Mr. CONNALLY. Mr. President, may I comment on that?

Mr. BREWSTER. I yield.

Mr. CONNALLY. Mr. President, allow me to say that it is quite natural that our attention should be attracted primarily to the field of European and United States affairs, and the United Nations, in the conditions that followed the war. It is quite natural that so active a field as that should have attracted greater attention relatively than China or the Far East. But I do not know of any desire on the part of the State Department, the President, or anybody else to conceal from the Senate or from the Committee on Foreign Relations any of the things that are going on in China. As the Senator knows, since the war ended we have given China \$2,000,000,000 in aid, represented by food, supplies, arms, and military equipment. What else would the Senator have wanted us to do?

Mr. BREWSTER. I can tell the Senator what I should have liked to do. I should have liked to read the Wedemeyer Report a long time ago. I believe the Members of the Senate were entitled to it. I have asked the Senator from Texas repeatedly regarding the matter, and I believe that the current statement regarding China which the State Department is now preparing will be something less than useful, unless it now gives us a far more complete disclosure than we have thus far received.

Mr. CONNALLY. The Committee on Foreign Relations only recently had access to the Wedemeyer Report.

Mr. BREWSTER. Only recently?

Mr. CONNALLY. That is true.

Mr. BREWSTER. To me it is a complete indictment of the administration, that the report had not been given to the Foreign Relations Committee long since.

Mr. CONNALLY. The Senator is indicting the administration because everything is not published.

Mr. BREWSTER. No—because Members of the Senate do not see them. I assumed the Foreign Relations Committee had seen it.

Mr. CONNALLY. We saw it, and we had Gen. Wedemeyer before us. I may observe that transactions between the United States and other governments, and various developments in our relations with other countries, cannot be published as front-page news every day. We cannot lay before the world everything that transpires. The entire world knows, and knows well, that we have undertaken to aid China by giving her \$2,000,000,000 and more since the war.

Mr. BREWSTER. Well—

Mr. CONNALLY. Wait a moment.

Mr. BREWSTER. I have the floor.

Mr. CONNALLY. I beg the Senator's pardon.

Mr. BREWSTER. I do not want that statement to pass unchallenged.

Mr. CONNALLY. Very well, I will sit down, if the Senator does not want to yield to me.

Mr. BREWSTER. I am happy to yield, but I do want to take the statements as we proceed. Ten months after the close of the war, under General Marshall's directive, the shipment of arms and ammunition to China was embargoed. During the following 10 months it was not practical to ship them, after the embargo was lifted. When mention is made of the \$2,000,000,000 we sent to China—and there is considerable controversy in respect to the details of that assistance—I think it ought to be made clear that for 20 months, while the Russians were turning over to the Communists all the Japanese arms and munitions in Manchuria, while they were being armed and trained to use them against the Chinese, we were embargoing for all practical purposes for those 20 months shipments to the Nationalist Government, which we were supposed to support. That has always seemed to me a most tragic episode.

Mr. CONNALLY. Mr. President, may I intervene, now?

Mr. BREWSTER. Certainly.

Mr. CONNALLY. It is easy enough to pick out some little incident here and there.

Mr. BREWSTER. That is not very little.

Mr. CONNALLY. Two or three years after it has happened, it is possible to pick out some little incident here and there and say, "Why, it ought to have been done this way. Had I been running the Army, I would have done it this way. Had I been in the State Department I would have done it this way." That is easy now. But let me say that we had the complete testimony of General Barr before the Committee on Foreign Relations. He had been in China. He had been into the upper reaches of that country. He testified that the Chinese had never lost a battle—not one—for lack of arms and munitions which we had

been supplying them. What would the Senator have done?

Mr. BREWSTER. That is very poor consolation, when a nation is being embargoed. After Chiang Kai-shek had fought the Japanese for 10 long years, why did we cut off the shipment of arms to him? Could we not trust him? The Senator now glibly says, "General Barr says it was not for lack of arms." All we know is that we refused them the arms. I say that will always stand as a black mark on the record of the United States, which was supposed to be an ally of Generalissimo Chiang Kai-shek and the Nationalist Government. That spot cannot be burned out of the record of this country.

Mr. CONNALLY. The Senator from Texas is not seeking to employ any pyrotechnics or flame-throwers. That is, seemingly, the function of the Senator from Maine. What would the Senator from Maine, or other Senators, have done? Would they have sent an army into China?

Mr. BREWSTER. But that is not—

Mr. CONNALLY. Let me finish.

Mr. BREWSTER. The Senator is asking what I would have done. I never proposed to send an army into China.

Mr. CONNALLY. What else would the Senator have done?

Mr. BREWSTER. I would have sent arms.

Mr. CONNALLY. We did.

Mr. BREWSTER. After 20 months we embargoed them, after the Japanese surrendered. We cannot escape that.

Mr. CONNALLY. Our military authorities say the Chinese never lost a battle because of lack of arms or military supplies. I shall not go into the details of why they lost battles, but it was not our fault. It was not our fault that they did not fight; it was not our fault that they were not able to carry on campaigns. There are many local reasons, which I shall not go into at this time. But let me ask the Senator from Maine if he would have wanted to send his son to China to take part in a fight between Chinese rival armies? The Senator from Texas does not have such a desire.

Mr. BREWSTER. With reference to the latest comment of the Senator from Texas as to whether I have a son—I did have a son who served 5 years in the last war, in every theater of the war.

Mr. CONNALLY. I beg the Senator's pardon. I congratulate him on having such a gallant son. My question was intended to be general. I have a son who was in the Army. Thank God, he came back safe and sound. The question I meant to propound was whether there is any Member of the Senate who would have voted to send a United States Army to try to settle the controversy between the Chinese factions in China.

I apologize to the Senator. I had no idea of referring to the Senator's own son.

Mr. BREWSTER. If I may use some of the political terminology of recent days, I think the comment of the Senator from Texas might come in the category of a red herring. I had already made it very clear to the Senator from Texas that I had never proposed to send an American Army in China, so I think the

rhetoric of the Senator from Texas, which is always eloquent, is wasted on the desert air.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I shall be very happy to yield to the Senator from California.

Mr. KNOWLAND. Will not the Senator agree that there has never been a proposal on the part of those who are critical of the policy we have pursued in the Far East to send an Army to China, but that there has been great criticism of the fact that at a time when we were taking the position that it was of the utmost importance to the security of this Republic that we keep some 200,000,000 Europeans from going behind the iron curtain, and protecting our front door, it was neither consistent nor did it make for common sense to leave our back door wide open while 450,000,000 Chinese were being taken behind the iron curtain?

We sent aid to Greece and Turkey; and I will say to the Senator from Texas that I supported that program, because I believed it was of the utmost importance that we not permit the rest of Europe to be overrun by international communism. If we sent a mission to Greece to participate in an internal struggle there to prevent the Greek people from being overrun by communism, was it not just as consistent that we furnish the same type of advisers to the Government of China, which is a legal government, which was our ally during the war, and which stood up for a period of years when we were shipping scrap iron and oil to Japan to be used against the Chinese? We certainly had some obligation, I believe, to give them the same over-all support we have given to the Government of Greece.

Mr. BREWSTER. I welcome the contribution of the Senator from California, who has been one of the staunch advocates of effective and intelligent aid.

Since the Senator from Texas has quoted military authority, I think it would have been well if we could have known the advice and perhaps paid somewhat more heed to the advice of some other generals there. General Wedemeyer was there, but we have never yet been permitted to know what his advice was. It was not given to us because the administration was so solicitous for the reputation of Generalissimo Chiang Kai-shek. Coming from the mouths of those who have done so much to discredit him, it has a very empty sound.

Before that time there was General Hurley, and he came back with some very decided ideas. Then there was General Chennault who participated in the war in China. He knew something about it. We had the benefit of his advice, but, apparently, it was never heeded.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. BREWSTER. I yield.

Mr. KNOWLAND. Is the Senator familiar with this paragraph in the foreword of the recent book by General Chennault, *Way of a Fighter*, in which he said:

The United States is losing the Pacific war. Three years after VJ-day this country is facing the loss of everything it won during the four bloody years it took to defeat Japan. Here are the facts:

Gen. George C. Marshall told Congress in the spring of 1948 that if Manchuria were lost to the Chinese Communists, the United States' position in southern Korea would be untenable.

Manchuria has been lost to the Chinese Communists.

General Marshall also told Congress that if the Chinese Communists controlled North China the United States' position in Japan would be "extremely serious."

General Douglas MacArthur warned the Joint Chiefs of Staff in the fall of 1948 that if the Chinese Communists took the lower Yangtze Valley and Shanghai, the American military bastion on Okinawa will be outflanked and his position in Japan will be as exposed and untenable as it was in the Philippines during 1941.

As this is written, the Chinese Communists are fighting toward the Yangtze at Nanking. They are aiming to force a Yangtze crossing and sweep to Shanghai.

Since the book was written the Chinese Communists have crossed over and are moving now into southern China.

Is the Senator familiar with the fact that a little further on in the book General Chennault had this to say:

China is the key to the Pacific. Politics are variable, but geography is a constant. It is the geography of China that makes that unhappy land so important. Whatever sentimental appeal there may be in the American aid for China, the United States attitude toward China should be based on a thoroughly realistic appraisal of China's value to the United States.

Right along that line, I wonder if the Senator from Maine is familiar with a statement made by a great American Secretary of State, John Hay, in 1899. He was a man who had tremendous vision for this country, which was at that time entering upon a period in which it was becoming truly a world power. Mr. Hay had this to say:

The storm center of the world has gradually shifted to China. Whoever understands that mighty empire, socially, politically, economically, and religiously, has a key to politics for the next 500 years.

Does the Senator from Maine believe that because of our lack of policy in the Far East we may be creating problems of Communist domination of the entire continent of Asia which will present a problem to our sons and to their sons for a number of generations yet to come?

Mr. BREWSTER. Certainly that conclusion is warranted by the developments of each passing day.

Mr. FERGUSON. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield to the Senator from Michigan.

Mr. FERGUSON. I should like to make an observation on what happened when General Marshall was in China. It has been said by the able Senator from Texas that General Barr has stated that no battle had been lost by virtue of the lack of arms on the part of the Nationals. Is it not a fact that during the period when arms were denied the United States Government, through General Marshall, had insisted on an armistice, as a result of which certain positions were taken advantage of by the Communist forces? Is

it not also true that certain Communist forces were able to go through the pass into Manchuria, and that after the armistice the Communists had a great advantage. Is not that a fact?

Mr. BREWSTER. I think not only is that correct, but that the period of 20 months, when we were embargoing, and when for practical purposes we found we could not ship, was the very period in which the Communists were mobilizing, were training their people, and were equipping them with all the armaments in Manchuria. So that, whether by intention or otherwise, the armistice operated completely to mobilize the Communist strength, and meanwhile cut off the shipment of arms to our supposed allies.

Mr. FERGUSON. Realizing that the able Senator from Maine is familiar with the history of the war between Japan and the United States, is it not a fact that one of the dominant objectives was to keep an open door in China?

Mr. BREWSTER. That is what the Senator from California has just read of, the Hay open door policy, which was the cornerstone of our policy in the Orient for the past 50 years. It was implemented by Stimson when he sought to keep Japan from invading Manchuria. We refused to recognize the Japanese administration.

As the Senator from Michigan has pointed out, it was my privilege to serve with him and the Senator from Texas on the committee investigating Pearl Harbor—

Mr. CONNALLY. No; I was not on that committee.

Mr. BREWSTER. I apologize. I think I can safely make the statement that not only every member of that committee, but also every member of the Committee on Foreign Relations, of which the Senator from Texas was chairman, was in complete agreement throughout the past that the preservation of China from domination by Japan was absolutely vital to our security. If that was the case, then how much more vital it is now, in these days when communism is a world-wide threat, that China should be preserved from the domination of the totalitarian regime which threatens liberty throughout the world.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. BREWSTER. I yield.

Mr. KNOWLAND. Is the Senator from Maine familiar with the fact that after the negotiations which were being conducted by the Japanese Ambassador, Nomura, and the special ambassador Japan had sent over at the time to conduct negotiations, they handed the American Government a note, and in return, on the 26th day of November, 1941, which was just about 10 days before Pearl Harbor, the American Secretary of State, Mr. Hull, handed to Ambassador Nomura a document which appears on page 768 of the book "Foreign Relations of the United States-Japan, 1931 to 1941." The paragraphs to which I desire particularly to call attention are in section 2, which state:

The Government of the United States and the Government of Japan will not support,

militarily, politically, economically, any government or regime in China other than the National Government of the Republic of China, with capital temporarily at Chungking.

This note was unacceptable to Japan, because we insisted that it was in our national interest to support the very National Government of China which is now subject to all sorts of attack, and the Japanese answer to this note was the attack on the American forces at Pearl Harbor.

Mr. BREWSTER. I think that is a very pertinent contribution.

Mr. FERGUSON. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield to the Senator from Michigan.

Mr. FERGUSON. Does the Senator believe it is possible to have the open-door policy in China and have a communistic government in China?

Mr. BREWSTER. Certainly, if we are to judge by the experience in Europe, the iron curtain will clang down, and we will carry on simply on sufferance with the Communist government, so long as they feel it suits their interest, and at any time they feel it does not suit their interest, we will be automatically and completely excluded.

Mr. FERGUSON. Does the Senator see any difference between what was going on to close the door prior to December 7, 1941, and what we have, reasonable grounds to believe is going on now to close the same door by having a communistic government in control, whereas prior to that it was proposed to have a Fascist government?

Mr. BREWSTER. I think that all concerned would probably well recognize and agree that, for all practical purposes, the present arrangement is a coalition, if not a domination. Certainly the leaders of the Communist movement in China have stated categorically that they would be associated with Moscow if any difficult developed with the United States. So that every consideration which led us to feel our vital interests were involved in not permitting China to be dominated by Japan are even more to be considered in the present situation.

I point out, however, that the implication, that therefore we would immediately go to war to assist China, is a step I have not yet been prepared to agree is wise, although, as the Senator from Michigan points out, it would be exactly as logical today as it was when Secretary Hull presented his note in November 1941.

Mr. FERGUSON. Many facts existed at that time which do not exist now, and I think all agree that there has been no contention that an army should be sent to China, but there were many things which could have been done short of sending an army, under our policy.

Mr. BREWSTER. That is correct.

Mr. FERGUSON. Today there are many things short of sending an army which might be done to encourage a firmer stand by those who are opposed to communism in Russia or in China. Is not that a fact?

Mr. BREWSTER. That is very true, and one thing which we could do, if there is any desire for constructive sug-

gestions when we talk about symbols, is to send General Wedemeyer as ambassador to China, as a symbol of a far keener and clearer understanding of the issues there than has apparently been presented by those who have hitherto represented us.

Mr. President, I am sorry the Senator from Texas, the chairman of the Committee on Foreign Relations, was not present in the earlier portion of this discussion, both on the part of the Senator from Maine and the Senator from Michigan, as I am sure it would be somewhat heartening to him to find the absence of partisanship, as I conceive it, in the approach and the attempt to discuss this matter on a level of undivided interest, with a frank recognition of both the primary responsibility and the primary concern of the Committee on Foreign Relations.

I posed the question to the Senator from Michigan, as one of long experience, to what extent it was practicable for us here in the Senate to participate in the consideration of these matters, recognizing, as I said very frankly, that there must be many matters in which the President and the State Department must proceed without full disclosure, and that there were other matters which they could take up with the Committee on Foreign Relations, but which the Committee on Foreign Relations might not feel it in the public interest to discuss on the floor of the Senate. At that time and in that connection I said very frankly that if the members of the Committee on Foreign Relations, with their far more intimate knowledge and responsibility, at any time indicated that certain matters should not be explored, their judgment would be treated with great respect. We were expressing regret that there had not been as full and free consideration with the members of the committee as indicated by the Senator from Michigan in connection with the Chinese situation, as well as the situation in Israel, Palestine, and certain other aspects of our foreign policy. I continue to hope that we may make progress.

The immediate occasion of this discussion was the nomination of an Ambassador to Czechoslovakia and a Minister to Hungary, whose nominations were held over by the Senate last night, as well as Mr. Butterworth's promotion to be an Assistant Secretary of State—a symbol of a policy which many feel has not been well conceived. The question which was posed here yesterday, and about which the press asked the Secretary of State without being able to secure an answer, was as to why we send an Ambassador to Czechoslovakia and a Minister to Hungary, when those countries are far more militant examples of the suppression of human rights and liberties, which was the basis upon which Secretary Acheson explained his refusal to send an Ambassador to Spain. I am embarrassed in posing this question to the Senator from Texas, because he had already made it clear upon this floor that he was not in sympathy with the policy of the Department of State in not sending an Ambassador to Spain. Therefore there is really no intellectual difficul-

ty in the Senator from Texas supporting the appointment and confirmation of an Ambassador to Czechoslovakia and a Minister to Hungary. I think, however, that the Committee on Foreign Relations should in all prudence and propriety ask the Secretary of State how he distinguishes those two situations.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHOEPPel in the chair). Does the Senator from Maine yield to the Senator from Texas?

Mr. BREWSTER. I yield.

Mr. CONNALLY. I have not checked on the matter, but I understand that we formerly had an Ambassador in Czechoslovakia whereas we had only a Minister in Hungary. So I suppose the regular routine is being followed.

The Senator from Maine kindly adverted to the fact that I did not hear the first part of his discussion. I regret that very much. I am always entertained and instructed by the Senator, and am always glad to hear his discourses on such matters as that to which he is now addressing himself. Let me say to him that so far as the Butterworth nomination is concerned, it will come up for action in executive session. The nomination will be open to free debate, and it can be thoroughly discussed when the time arrives for action on the nomination.

Mr. BREWSTER. In the case of the minister to Hungary, I think it is correct to say that he was called home a few hours before Hungary requested his withdrawal as persona non grata, because he had dared to stand up against the persecution of Cardinal Mindszenty.

Mr. CONNALLY. That is correct.

Mr. BREWSTER. And I suggested that, if in accordance with the statement of Mr. Acheson, an ambassador or a minister is of no importance—Senators will recall that in connection with Spain he said that, after all, ambassadors do not amount to anything or mean anything—that if that were correct, then I thought: Very well, we might not have a minister in Hungary for a while, and rely on a chargé d'affaires, to indicate that we do not approve what is going on in Hungary at this time, when not only Catholic clergy but clergy of Protestant and Jewish faiths are being subjected to the worst persecutions and persecutions which the civilized world has witnessed in recent years.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. CONNALLY. I deplore, of course, the outrages which have been committed on the clergy, and on the adherents of churches; but I do not agree to the suggestion that an ambassador or a minister is not of any importance.

Mr. BREWSTER. It was the Secretary of State who said it.

Mr. CONNALLY. The Senator from Maine observed that we might withdraw a minister and rely on a chargé d'affaires. Our influence in international contact depends somewhat upon the rank and the influence and the prestige of the man who represents us. The people of other nations frequently regard a chargé

merely as a sort of staff member, a sort of a secretary, and he does not carry the conviction or the strength a minister or an ambassador carries.

Let me make a further observation, and I hope not to be tedious.

Mr. BREWSTER. The Senator from Texas is never tedious.

Mr. CONNALLY. We do not send ambassadors or ministers to foreign countries in order to please the people of the foreign countries. We do not send them there in order to entertain the people of those countries, or to be entertained by them. We send them there to represent the United States of America, so we may know what is going on in foreign countries which may affect our interests. Our Ambassadors and Ministers are our listening posts far out beyond the actual line. So I do not see that it is of any advantage to discontinue the appointment of an ambassador or a minister because of pique toward a certain country. I do not subscribe to such a proposition at all. The more difficult the conditions are in a foreign country with regard to our rights, the more I want an ambassador or a minister to be there on the ground to be able to advise us as to what is transpiring which may relate to our interests, in order that our interests may be protected. I am sure the Senator from Maine does not disagree.

Mr. BREWSTER. Mr. President, I completely agree. I wish to say to the distinguished chairman of the Committee on Foreign Relations, that when the Secretary of State sent to the committee the nomination of Mr. Briggs, who happens to come from my own State of Maine and whom I certainly hold in high regard as a diplomat of distinction, as Ambassador to Czechoslovakia, and when he sent the nomination of Mr. Davis as Minister to Hungary, it seems to me it would have been quite proper to ask the Secretary of State how he reconciled his attitude, in order to preserve our self-respect among the nations in the world in distinguishing between Prague and Madrid. I think the Senator from Texas was the only one who could have made that challenge then.

If I remember my logic correctly, I think an argumentum ad hominem—an argument to the man—could have been addressed to the Secretary of State, or a query could have been addressed to him as to why he makes fish of one and fowl of the other, for, as was demonstrated yesterday, when, in the exercise of our democratic processes, I made this comment on the floor and the press asked the Secretary of State how he reconciled these two matters, he refused to answer. Now, I think he ought to answer that question and I think he ought to answer it to the chairman of the Committee on Foreign Relations. The chairman of the committee is the only one who can properly address the question to him.

While the Senator from Texas has been most generous in permitting other Members of the Senate to come into the committee hearings and ask questions, it is a procedure which I do not think is entirely happy or appropriate. I think a question of this character: "How,

Mr. Secretary, can you send an ambassador to Czechoslovakia, when yesterday we learned that thousands of peaceful citizens were being driven out of that country by reason of the policy of its Government, driven into our arms, and when we are spending more than \$200,000,000 to take care of them because of the violation of their civil rights—how you can send an ambassador there, when you refuse to send an ambassador to Madrid?" is one which, in my judgment, the Secretary of State should answer.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. CONNALLY. The Senator knows, or I assume he knows, that on the floor of the Senate I made a statement some time ago that I thought we ought to have an ambassador to Spain.

Mr. BREWSTER. I know the Senator made that statement, and I commend the Senator highly for having made it.

Mr. CONNALLY. Not that it would be any compliment to the ruler of Spain, but in order that we would have an ambassador there who would represent the United States, and who would know what is transpiring in Spain. I cannot see any logic in having an ambassador in Russia, with whose policies we do not agree at all, and not having an ambassador in Spain, where we could have, in the ambassador, a listening post in a country which occupies a military position of world-wide importance.

I do not care to belabor the point, but I have not changed my view that we ought to have an ambassador to Spain.

Mr. BREWSTER. How are the country and the House and the Senate going to have the Secretary of State reconcile his position? The only one I know who has the authority and the power to bring about an answer is the Senator from Texas. I think the Secretary ought to be asked "How do you figure this out, Mr. Secretary?"

Mr. CONNALLY. The Secretary gave out a statement some time ago on the subject. The Senator from Maine is undertaking to delegate to me powers I do not possess, and which, if I possessed, I could not exercise—that is to try to make somebody change his mind. I have been undertaking to do so with regard to the Senator from Maine over a long period of years, and have not succeeded in any degree.

Mr. BREWSTER. Oh, yes; we agree on many matters.

Mr. CONNALLY. I said I have not succeeded in changing the Senator's mind.

Mr. BREWSTER. I was not asking the Senator to get the Secretary of State to change his mind. I was asking him to rationalize for the Senate, for the people of the country, and for the people of the world, how he, the Secretary, reconciles his attitude in these two cases. Perhaps he can do it. But certainly the statement he made regarding Spain, which I hold here in my hand, and which I now ask unanimous consent to have inserted in the RECORD at this point, is utterly incompatible with what he is doing in Czechoslovakia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

What I should like to do is to try to put this present matter, which involves a vote in the United Nations as to whether or not the 1946 resolution is to be modified, in its real setting. As you know, the resolution was passed in 1946 by the General Assembly of the United Nations, and it recommended to the member nations that they withdraw their ambassadors from Madrid.

At that time the United States did not have an ambassador in Madrid because Mr. Norman Armour, who had been the ambassador, had resigned and no one had been appointed to take his place. Therefore, in carrying out the spirit of the resolution no one has been since appointed to take Mr. Armour's place.

The argument revolves around the question of whether that resolution should be changed and whether the ambassadors should be restored. Now, in the first place, I assume it is everybody's belief that a recommendation by the General Assembly of the United Nations should be followed until it is changed. I do not think there would be any argument about that. Argument might arise about whether we should attempt to change it.

Another preliminary observation: I should like to say that in and of itself this question of whether or not ambassadors, as distinct from chargé d'affaires, are in Madrid is a matter of no real importance at all. This resolution was adopted by the United Nations in the belief that it would lead to certain reforms on the part of Franco which would make the relations with his Government by other free governments more happy. It has not had that effect.

Now, why was the resolution passed and what are the issues which grow out of it, and what is American policy?

In the first place, let us state what the policy will be on that resolution. Our policy will be to abstain from voting upon that resolution which is to the effect that the question shall be left to the judgment of each individual member of the United Nations. We shall not vote on that. We shall abstain.

Now, this question, if it has any importance—and it obviously has, because it arouses a great deal of emotion both in this country and in other countries—is because it is a symbol of something else. The reason the 1946 resolution was passed is rooted in history.

The Franco Government was one which was established with the active support, and only with the active support, of Hitler and Mussolini. The Republican government in Spain received the support of the Soviet Union. There were charges at the time that the Republican Government was Communist. Those charges were denied. It is unimportant at this point to go into what if any substance they had. The fact of the matter was that a government which was established in Spain which was patterned on the regimes in Italy and in Germany and was, and is, a Fascist government and a dictatorship.

The importance is not in throwing words around in talking about "Fascists," because other people call us Fascists, too. We do not get anywhere merely by using that word. The important thing is what goes on in Spain.

It is also important what the western European governments think of what goes on in Spain because, as I have said, the important matter is not whether we send an Ambassador instead of a Chargé d'Affaires; the important thing is what can be done to bring Spain into the community of free nations in Europe in both the economic and the defense fields.

When you think about that you discover at once that the western European governments are opposed, and have publicly

stated their opposition, to this collaboration with Spain in the economic and military fields.

Now, why is that so? I say we get nowhere by using such words as "fascism," but if we look at the situation in Spain, we will see some perfectly simple fundamental facts which cannot be obscured. I presume that the foundation of liberty—individual liberty—is not in great phrases at all but in certain simple procedures and simple beliefs, and I should put first on the list of essentials for individual liberty the writ of habeas corpus and an independent judiciary.

One of the things that all dictators do—from the time of the French Revolution and before the French Revolution down to the present time—is to take anyone that they do not like and throw him in the oubliette [dungeon] and there he stays until he dies or until they shoot him or until they take him out. The fundamental protection against that in free countries is the writ of habeas corpus.

Now, what does that mean? That means that anybody who is detained against his will may at any time get an order from the court that he shall be produced in person before the court and that those who hold him must justify the fact that they are holding him under the provisions of law. There is nothing more fundamental in the preservation of human liberty than that ancient British tradition which is now incorporated in most of the procedures in the free world. That right does not exist in Spain.

I suppose a second fundamental right, which is useful only if you have the first, is that if you are tried—and, of course, it follows from the writ of habeas corpus, that you cannot be sentenced to prison unless you are convicted of some crime—the second right is that in being convicted of a crime you are convicted not by employees of the State but by your fellow citizens.

That is the right of trial by jury. It means that no judge, even though he be independent, certainly no administrative official, can order you put in jail. The only people who can do that are 10 in some parts of the world, 12 in others—citizens just like yourself—and if they listened to the testimony and say Joe Doakes goes to jail, then he goes to jail. If they say he does not go to jail, then he does not go to jail. That is fundamental. That right does not exist in Spain.

Then there is the question of religious liberty, which is fundamental to a free exercise of the human personality. That right does not exist in Spain.

Then there is the right of association—association in political activities, association in trade-union activities, association in benevolent activities—that right does not exist in Spain.

I could go on, but what I want to draw to your attention is that these certain fundamental basic rights of the individual which make the difference between what we call "free Europe" and the "iron curtain" countries—these rights do not exist in Spain, and the Spanish people are prevented from enjoying them by action of the Spanish Government.

It seems perfectly clear to the western European countries that you cannot have an intimate working partnership with such a regime in the economic field and in the defense field. There must be some move to liberalize that. None of them say, nor do we say, that Spain, which has never been a full-flowered democracy, must become so.

But they all say that there must be some move toward that situation because if there isn't, what is the use of having ambassadors? We have someone with a different title. It may raise the prestige of the individual a little bit, but what is the use of it all?

It is important only if it becomes a symbol, and if it becomes a symbol of the fact that after all we don't care much about these rights, then it is a bad symbol. If it ceases to be a symbol it wouldn't make any difference to anyone whether you had an ambassador or whether you didn't.

But the fundamental thing is that American policy is to try to bring Spain back into the family of western Europe. That is a family matter. You have to convince the Spaniards that they must take some steps toward that end, and you have to convince the Europeans that they have to take some steps. So that it isn't fundamentally a matter which can be brought about by American action, and therefore the policy of the American Government is one which I am quite sure is calculated to please neither group of extremists in the United States—either those who say that we must immediately embrace Franco, or those who say that we must cast him into the outermost darkness.

But it is a policy directed toward working with the Spaniards and with the western Europeans, bringing about a situation where these fundamental liberties do exist in Spain and where the western Europeans can bring Spain into the community.

I have spoken at some length on this subject because it is so easy to confuse form with substance.

Mr. BREWSTER. I think we could well quote Emerson:

What you do speaks so loud I cannot hear what you say.

Mr. Acheson told us that he was not sending an ambassador to Spain because in Spain there was no right of trial by jury, no habeas corpus, and no right of political or other association. Therefore he would not send an ambassador to Spain. It was not of any consequence, anyway. When Mr. Acheson proposes to send another one of these \$20,000 babies overseas as an ambassador, he ought to be asked some questions. We thought that ambassadors were of great importance. I completely agree with the Senator from Texas that they are, and that they go abroad to serve us, and no one else. I think Mr. Acheson ought to tell the Foreign Relations Committee, under the leadership of the Senator from Texas, how he reconciles his attitudes, if he can. The only thing he said to the press yesterday was that he did not care to discuss the question. To me that is not a very satisfactory answer. I think that before we take up the confirmation of these two diplomatic representatives, the ambassador and the minister, it would be most helpful if Mr. Acheson would give some kind of a statement to the Senator from Texas which he might use in supporting the position which he has taken in favor of their confirmation.

With respect to Mr. Butterworth, before the Senator from Texas entered the Chamber the question was discussed with the Senator from Michigan [Mr. VANDENBERG] as to whether the fact that Mr. Butterworth had been intimately associated with the development and evolution of our policy in China was a reason why—without any disparagement of his patriotism, his abilities, or his long service—we could, as a matter of policy, that being the only way we can get hold of the tail of this policy, consider whether this was a happy time to promote him to a position of greater responsibility in the

conduct of our affairs in the Orient, when they seem to have turned out so disastrously, and when, to quote the language of Mr. Acheson, he would seem to be a symbol of a policy that had failed. To give him recognition by confirmation and promotion might not be the most refreshing thing so far as the people of the world are now concerned. That was the extent to which we discussed the question of whether an individual might be the vehicle by which the Senate could give consideration to the evolution of our foreign policy.

I should like to refer to one further question. I am glad the Senator from Texas is present, because this also seems to me to be a matter within his primary purview. I refer to our current European policy.

I invite attention to an article written by Mr. Walter Lippmann, who has certainly been a very keen, earnest, and intelligent advocate of our evolving foreign policy. I quote from an article in the Washington Post of Monday, June 13, 1949, a very current article, entitled "Time Running Out." I ask that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIME RUNNING OUT

(By Walter Lippmann)

Mr. Hoffman, arguing with the Senate Appropriations Committee, has certainly not exaggerated and has almost surely understated the consequences of a still greater cut in ERP funds. For the truth is that the amount of money he is asking for now is considerably less than what was regarded as a necessary minimum at the beginning of last winter. Yet when the original calculations were made, it was still believed by almost everyone that the American recession would be checked by a seasonal improvement in the spring.

In fact the recession has not been checked but is developing. Moreover, abroad there are now unmistakable signs, most clearly visible in Great Britain but by no means confined to Great Britain, that a depression of serious proportions is in the making. Therefore, the amount Mr. Hoffman is willing to accept now, and is fighting to keep Congress from cutting further, is almost certainly too little to sustain the recovery already achieved. For what might have been just enough to keep things going slowly forward—with no recession in America and no depression abroad—cannot be nearly enough now to keep things from going rapidly and dangerously backward.

The true situation, which has been very much obscured over here, is most clearly recognized, and despite the impending election is being more honestly discussed, in the United Kingdom. Last week the Economist said in language which is all the more impressive because of its restraint that "the circumstances by which Britain may soon be threatened are of an unprecedented kind," and the Times (London) said that "with the easy sellers' market ended and competition rising, the stake is no less than the national standard of life."

That is a very high stake, indeed. For the British standard of life is not luxurious, not even comfortable. If it cannot withstand the world-wide depression and deflation, the political and social consequences even among so steadfast and mature a people as the British will not be agreeable to contemplate. The consequences elsewhere,

for example in Germany, will be even less agreeable.

The American recession has not created the British and the European problem of how to maintain the relatively low standard of life which has been achieved since the end of the war. But the American recession is disclosing how deep, how difficult, how insoluble by our present policies and devices, is the problem of European recovery. The change in the economic climate will compel us to face the problems we have never as yet been willing to face much sooner than even the experts anticipated, and long before the governments and the people are prepared to face them.

There is current a good deal of pretense and propaganda about how well in hand everything is. Yet ever since the report of the Marshall plan countries which was made available at the end of 1948 it has been known to the relatively few who studied it that the goal of European recovery, in the official and popular sense of the words, was unattainable by 1952—during the period set by Congress and agreed to by the Marshall plan countries. It was certain that even with almost unlimited wishful thinking the leading industrial countries of Europe could not become self-supporting and still achieve and maintain a tolerable standard of life by 1952, or in fact at any foreseeable date.

But even those who knew the hard facts of life hoped and believed that with Marshall aid we would be able to buy enough time before the Western world had to face the deeper and more dangerous issues of recovery and reconstruction. They hoped and believed that though the Marshall plan could not make Europe prosperous and solvent, it would buy the time to repair the physical damage of the war, to stabilize the political, the financial, and the administrative machinery, to recuperate from the emotional shock of the war, to reduce the tensions and to find at least an accommodation with the Soviet Union, and to make peace with Germany and Japan.

The Marshall plan has, of course, been buying time in this sense. But it now seems probable that with the American recession, the tapering off of American aid, the exhaustion of European reserves, the time which we are able to buy is very much shortened. Problems that could be postponed, or played with, during the inflationary boom, will come crowding upon us the more rapidly and acutely the international deflation develops. And the more Congress cuts Mr. Hoffman's appropriation, the sooner the Congress will be faced with these problems, which it has not even begun to think about.

They will be problems that cannot be solved by a rip-snorting statement from a HICKENLOOPER or a MCCARRAN, which is then "investigated" amidst the kilig lights, the television cameras, and the microphones. They will be the problems posed by the relation, unprecedented in all history, between the North American Continent and all the other continents—and of how a decent world society can exist where the disparity in power and in wealth as between nations of the same culture and ideals is so dangerously wide.

Mr. BREWSTER. I read one paragraph to the Senator from Texas and ask him whether he has noted it and whether he has any comment on it:

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plan countries. It was certain that even with almost unlimited wishful thinking the leading industrial countries of Europe could not become self-supporting and still achieve and maintain a tolerable standard of life by 1952, or in fact at any foreseeable date.

I read that paragraph, and then refer to another article by Mr. Lippmann, in the Washington Post of June 16, 1949, entitled "Recession and Depression." I shall not quote from this article, but I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks, because it further develops the dangers of the current recession and depression, both in America and Europe. In view of our former experience with a world-wide depression, I think it is something to give us some concern.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECESSION AND DEPRESSION

(By Walter Lippmann)

The recession, which began in the autumn, has been gathering momentum in the past 8 weeks. While the effects here are still moderate, they are already so serious abroad that unless firm measures are taken promptly, a depression, which could become deep and hard indeed to deal with, is in the making. Not much time can safely be lost in reversing the deflationary policies, adopted in 1948, to counteract the postwar inflationary boom.

For an essential characteristic of all measures to deal with inflation or deflation is that they do not produce their economic effects immediately. Thus our deflationary measures—to restrict credit, to sterilize gold imports, to reduce purchasing power with the budgetary surplus—were applied at the end of 1947 and early in 1948. They were designed to contract money and credit. They began to take visible effect only at the end of 1948, and are now really taking hold at home and abroad.

The deflationary measures should almost certainly have been reversed sooner. Even had they been reversed sooner, the forces of deflation would still have continued to operate for a considerable time. Now the deeper the deflation, the less easily can it be controlled and checked by such moderate and subtle measures as the Federal Reserve can take by reducing its reserve requirements, reducing its sales of Government bonds, ceasing to drain gold from the rest of the world and then sterilizing it here, and the Treasury by reducing taxes and accepting a budgetary deficit.

The critical question as to whether the modest recovery which has been achieved in western Europe is to be sustained, and is not to break down in a depression, is now upon us. Almost certainly the focal point of the danger is in Britain and the sterling area. If our own recession is not checked, if at the same time Congress commits the error of reducing the dollar funds available to the outer world, if on top of these deflationary conditions, new barriers are raised to imports, the general devaluation of the currencies is almost unavoidable. If that happens, it will almost certainly bring on a deep depression with serious unemployment throughout the western world.

In our own interest and that of the free world we must, therefore, address ourselves immediately to our own recession—to a prompt and decisive reversal of our deflationary credit, monetary, tax and budgetary policies, and of the disposition in Congress to deflate world trade by new import barriers and fictitious economies in foreign aid.

But though this American reversal is primary and essential, it will not suffice. We

shall have to face up to the fact that though the Marshall plan has provided much relief and has stimulated some recovery, it is operating to bring about a contraction of world trade and a general deflation. For in setting 1952 as the target date when Europe must be independent of the American subsidy, we have committed Europe and ourselves to a course of action which cannot bring about, will actually prevent, a rising and general prosperity.

The truth is that western Europe, including Britain and Germany which are its two greatest industrial nations, cannot by 1952, or within the foreseeable future, maintain its standard of life and become independent of a dollar subsidy from the United States. If the Marshall countries must be independent of the subsidy, they must reduce their imports from North America, they must by currency and discriminatory trade devices exclude or drastically reduce American exports to Europe, South America, and the Middle East, and they must build up slowly, painfully, and at uneconomic cost, substitutes for the North American imports that they cannot earn the money to buy.

The plain fact is that in the year ahead Europe must choose between recovery and financial independence—between maintaining a very modest rise in the standard of life and the elimination of the dollar deficit. The two goals of the Marshall plan, economic recovery and financial equilibrium in the exchanges are for the foreseeable future incompatible. We shall have to choose the one goal or the other, and now that economic conditions are deteriorating that choice will have to be made much sooner than anyone anticipated when the Marshall plan was adopted.

There can be no question that, faced with this choice, we must decide to sustain the recovery by American measures to cover the European dollar deficit over a long period of time. For if we sacrifice the recovery in the western world, we shall jeopardize the whole postwar political reconstruction, and with it our own economic stability.

How this country is to deal with the deep, perhaps permanent, problem of the world dollar deficit is a question which is not easily answered. But this much at least seems a reasonable hypothesis with which to approach the question: the direct subsidies, as now provided by the ECA, cannot go on forever. They were necessary for an emergency. For the long run they are morally and politically impossible and undesirable. They create a relationship among the free nations which is incompatible with their independence and their dignity.

The orthodox alternative, which is private capital investment abroad, is almost certainly not going to be sufficient. Too much of the world is unstable to warrant or encourage private investment on a large enough scale.

There remain measures, which have been used before though never on the scale which may be required, to support sterling and perhaps certain other key currencies, assuring their convertibility for current transactions, once the necessary readjustments of their value have been made.

In all probability a monetary program of this type will come to be the successor of the Marshall plan. It will find favor as the most feasible device for sustaining the world recovery and of averting a great depression and the political disorder which would surely grow out of it.

Mr. BREWSTER. I come now to an article by Mr. Lippmann, entitled "Cassandra Speaking," published in the Washington Post of June 7, 1949, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CASSANDRA SPEAKING
(By Walter Lippmann)

The celebration of the second anniversary of the Harvard speech, in which Secretary Marshall suggested the European recovery program, comes at a time when in western Europe, the United States, and indeed almost everywhere trade is declining, profits are falling, and unemployment is rising. As in the months which preceded the Harvard speech, the signs of a crisis in the making are too plain to be disregarded. There is every reason to think that the crisis which is now in the making will require a greater effort on the part of statesmen and people than that which began to develop in the early winter of 1947.

For then the question was how by a revival of production and with American aid, the general standard of life could be raised from the low level to which it had been brought down by the war. But now, with production in western Europe on the whole above prewar and with American aid beginning to taper off, the question is how the existing European standard of life can be maintained.

Though it is still very low, there is little prospect that in the near future it can be improved. There is the grave question whether it will not have to fall.

Though it is quite true that but for the Marshall plan the condition of Europe and the world would be much worse than it is, there is little ground for complacency and self-congratulation. The problem of European recovery is manifestly deeper and more stubborn than most of the operators of the Marshall plan realized, than any were willing to admit publicly. The economic exhaustion of western Europe has been greater than the official estimates allowed, and the disruption of the channels of trade and of the media of exchange has been such that only by extremely artificial, and therefore quite temporary devices, has a moderate volume of trade been restored.

The fragile recovery which has been achieved is now threatened by a world-wide deflation in which, unlike 1947, the United States is involved. The deflation has set in before, but just before, Germany and Japan are being encouraged to enter the world-wide competition for contracting markets.

The signs of the crisis which made the Marshall plan necessary were quite visible at least 4 months before the Harvard speech. By the end of January it was evident that the American and Canadian credits, which were intended to see the United Kingdom through 1951, were going to run out much sooner. In fact they were used up by August of 1947.

Not until May did Mr. Acheson, then the Under Secretary of State, make the address to the Delta Council which was in fact the forerunner of Mr. Marshall's Harvard speech a month later. Another half year passed before Congress provided interim aid. A year passed before it appropriated the money for the Marshall plan.

The crisis which is now in the making will call for a better timetable than that. There are experts in all the countries who know. But if measures are to be contrived, and the extraordinarily difficult decisions are to be taken, before the deflation goes out of control, the statesmen with the highest responsibility in the Western world will have to face up to the problem right away.

For our policies and our political hopes are based upon, and depend upon, the premise that the Western world, including western Germany, can count upon a rising standard of life amidst conditions of increasing confidence and stability. A world-wide deflation, with contracting markets, reduced consump-

tion, rising unemployment—especially if an American deflation aggravates it instead of compensating for it—will soon change, and not for the better, the political and diplomatic climate in which Mr. Acheson administers his policies.

Mr. BREWSTER. This is Cassandra speaking—a rather doleful prophet. He says:

Though it is quite true that but for the Marshall plan the condition of Europe and the world would be much worse than it is, there is a little ground for complacency and self-congratulation. The problem of European recovery is manifestly deeper and more stubborn than most of the operators of the Marshall plan realized, than any were willing to admit publicly. The economic exhaustion of western Europe has been greater than the official estimates allowed, and the disruption of the channels of trade and of the media of exchange has been such that only by extremely artificial, and therefore quite temporary devices, has a moderate volume of trade been restored.

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I do not wish to labor the dangers of the situation, but it seems to me that in the almost utter collapse of our policies in China, in the tragic situation which we face in Europe today in spite of all the hopeful omens, and with the recent sharp decline in the British economy, it is a matter of increasing and profound concern as we go forward to consider our financial policies, our economic policies, and our relations to Europe. Are we warranted in the inference from Mr. Lippmann's article that we are not being told all the truth? Does the Senator from Texas feel that we are being given a full, frank disclosure, so far as the proprieties permit, of conditions in Europe, in Asia, and in this country?

Mr. CONNALLY. Mr. President, I will say to the Senator that I am not advised as to every detail, but in the main, I think that is true. Mr. Hoffman, the ECA Administrator, has been before the Committee on Appropriations for many days. He has been subjected to the most rigorous examination, both direct- and cross-examination. The Secretary of State has just come back from the four Ministers' meeting. He has been before

the Committee on Foreign Relations and has made a full and complete statement, most of which was given to the press. I think that, so far as humanly possible, we are in possession of information, through our representatives abroad, as to conditions both in Europe and elsewhere.

Mr. BREWSTER. Before the Senator from Texas entered the Chamber I stated that one who had recently returned from Europe after 6 weeks there, with probably as ample sources of information at home and abroad as any individual outside the Government, expressed to me very great concern that at Paris conversations proceeded with the British regarding the possible determination of our spheres of interest in Europe at the expense of sacrificing China. I assume that there must have been discussions. The Senator from Michigan [Mr. VANDENBERG] expressed the conviction that before any steps were taken to recognize the Communist regime in China there should be the most exhaustive deliberation and the most careful consideration, with at least the members of the Committee on Foreign Relations, before any such step was taken or any deals of that character were very far progressed. Does the Senator from Texas agree with that?

Mr. CONNALLY. I feel sure that that will be the case. Already we have been discussing this question in the Committee on Foreign Relations. There is not going to be any automatic recognition of a de facto government or de jure government. All the factors will be thoroughly considered, I feel sure, by the Department of State and the President of the United States.

Mr. BREWSTER. And at least by the members of the Foreign Relations Committee.

Mr. CONNALLY. Oh, yes; of course the Foreign Relations Committee is in daily contact on these matters.

I do not wish to cast any reflection upon the person who, the Senator has told us, spent 6 weeks in Europe, and upon his return had a thorough understanding of all these problems.

Mr. BREWSTER. That is not what I said. I said he had more sources of knowledge than does any private citizen. I was extremely careful to delimit the sources of his knowledge.

Mr. CONNALLY. I do not know what the source of his knowledge is. As I understand, he referred to the four Ministers' conference.

Mr. BREWSTER. Yes; he was very much concerned.

Mr. CONNALLY. He is not an official, and yet he seemed to know all that was transpiring there.

Mr. BREWSTER. No; he expressed very great concern that that was what was going on.

Mr. CONNALLY. Very well. Of course, concern is one thing, and facts are another.

Mr. BREWSTER. Yes. I understand that the Senator from Texas expects to be fully consulted before any radical change in our position toward China occurs.

Mr. CONNALLY. I do not expect to be personally consulted, but I understand

that the authorities here—the Committee on Foreign Relations and others—will be consulted.

Mr. BREWSTER. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD an article by Walter Lippmann, appearing in the Washington Post for Thursday, June 9, 1949. The article is entitled "Berlin Fantasia."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BERLIN FANTASIA
(By Walter Lippmann)

Even more discouraging than the disagreement between Mr. Acheson and M. Vishinsky over how to govern Berlin is that both of them talk as if they still believed it possible for four governments to rule one wretched, ruined, and desperate city.

The differences between the Acheson and the Vishinsky proposals are considerable, perhaps irreconcilable. But what is much more serious is their similarity, that, as Mr. Dooley once said of two candidates for President, they are as far apart as the two poles and as much alike. For the notion, or at least the pretense, is common to both proposals, that despite the plain and obvious lesson of the past 4 years, the occupying powers should work side by side making daily decisions on a whole mass of intricate and largely unintelligible details.

It is self-evident that the Soviet proposal is sheer nonsense. The four powers, which are at odds on almost any subject they discuss, are, according to M. Vishinsky, to pass by unanimous agreement on all legislation enacted by the city council, on appointments, dismissals and resignations of administrative personnel, on public security and the police, on the "trade" of Berlin, on supplies, on city transport, the municipal budget, municipal taxes, on credit, prices, fuel and communications. They are also to revise the election law, determine who has the right to vote, and they are to authorize political parties and public organizations, and supervise the elections.

But is the American proposal really much more sensible? It calls for quadripartite supervision of elections, including electoral preparations and campaigns. It provides that if the four commandants cannot agree, each commandant in his own sector may take whatever action he considers appropriate for the protection of the elected deputies and city officials against interference in the performance of their functions under the constitution so as to insure the independence of the city administration and the exercise of its legitimate authority. This is a blank check for chaos and confusion, making each commandant in effect the judge of what the constitution of the city means in his part of the city. It would be like trying to govern the city of Washington with Senator McCARRAN having the last word in Southeast Washington, Senator KEFAUVER in Northwest Washington, and let us say Senator HICKENLOOPER, to insure efficient government, in the remainder.

Not only is neither proposal likely to be accepted, but even if either, or some compromise between them, were accepted, the thing could not be made to work. Military government is in itself a hopelessly bad method of government except immediately at the end of a war. Quadripartite military government by unanimity, or by majority, or by sectors, over an extended period of time is an utter impossibility, capable only of creating confusion, misgovernment, intrigue, corruption, and conflict.

It is difficult to understand the process of thought by which we, who know and have been proclaiming our conviction that close

collaboration with the Soviets is impossible, nevertheless come forward with on more paper project for collaborating with them in one city, in one confined place, about the myriad details of a municipality.

One would suppose that after the interminable quarrels in Berlin, after the division of the city, after the blockade, and the air lift, Mr. Acheson would have come forward with something more relevant than have another blueprint for quadripartite control. Is it not the lesson of the Allied failure in Berlin that the four powers cannot collaborate? Why then pretend that we believe they can? It is not the lesson of the blockade and the air life that the strategic encirclement of Berlin is a threat to the peace of the world, and that the first and imperative solution of the Berlin problem is to end the strategic encirclement?

Why then have we discarded all the plans for ending it? And why have we come forward instead with a proposal which, whether it is accepted or rejected, perpetuates our dangerous military entanglement? Why have we not come forward with some one of the several plans for a redistribution of the occupation forces so that, at the least, we do not have to sit in Berlin surrounded by the Red Army?

Is it because we think the Soviets would not agree to a redistribution of the military forces? If that is the reason, surely it would be better to break up in Paris on that issue, which really means something to our own vital interests, to the peace of Europe, and to the Germans, than on the differences between M. Vishinsky's and Mr. Acheson's rival blueprints for starting to do once more what both of them must know we cannot do at all.

Mr. BREWSTER. Mr. President, I shall read a brief excerpt from the article:

It is difficult to understand the process of thought by which we, who know and have been proclaiming our conviction that close collaboration with the Soviets is impossible, nevertheless come forward with one more paper project for collaborating with them in one city, in one confined place, about myriad details of a municipality.

In the article Mr. Lippmann refers to the quadripartite administration of Berlin, which is the chief suggestion, if not the only one, by Mr. Acheson which Mr. Lippmann criticizes. I do not discuss it myself; I defer to Mr. Lippmann, who has been a very close student of this matter, and at times his opinion has been very highly regarded.

One other matter, Mr. President, and I am done: As to the refugee situation, affecting the displaced persons in Europe, an unfortunate and tragic aspect of it is at hand, namely, that Europe is not the only place where there are displaced persons, for in the middle east there are 800,000 displaced Arabs.

Before the Senator from Texas entered the Chamber, I pointed out, in defending this administration and the Congress, that we have provided 65 percent of all the money which has been devoted to the care of displaced persons in Europe, although we were supposed to contribute only 45 percent. I thought it was time that someone's voice was raised to show that we have been more than generous, in spite of the fact that we have not done all that some persons have desired us to do.

At the present time there are 800,000 displaced persons in the Near East—the Arabs. The situation in Europe is once more repainting the tragic difficulties

through which we have passed in recent years. All of us know the sorry record of the American attitude regarding Palestine, how we have changed from one position to another, the utterances of our succeeding Presidents for the last 25 years, often stultified by the action of the State Department, and repeatedly nullified by the subtle actions within the State Department.

However, we finally saw, with profound gratification, the birth of Israel. Now we are concerned with how their affairs shall be worked out. We are naturally concerned, because it is a problem of the world. Discussions are going on between the Arab world and Israel as to a solution, and the United Nations' Commission is taking a proper and natural interest. Egypt proposes that Gaza, the territory adjoining Egypt, now in possession of the Israeli, shall be taken by Israel, along with 250,000 Arab refugees. That was the Egyptian proposal, if we are correctly informed. The Israeli agreed to that, agreeing to take the 250,000 Arab refugees, a rather large order, certainly. At that point the representatives of the United Nations, under, as we are told—and I think it is clear, from the records—the leadership of the United States State Department, vetoed that settlement, saying, "No; you must settle the whole question of the 800,000 Arab refugees."

Mr. President, it is a peculiar situation, because it was only 2 years ago, as the Members of this body well know, that the State Department was saying that it was utterly impossible to take 400,000 or 500,000 Jewish refugees from Europe into Palestine. That was the whole basis of the British mandatory veto and of the attitude of our own Government, namely, that Palestine could not absorb that many refugees.

Yet, now, when 500,000 Jewish refugees in Europe are on their way to Palestine, at the rate of 30,000 or more a month, and are being absorbed by Israel, in spite of the declaration of our State Department that it was impossible—and as the report of the committee during the past week on the International Refugee Organization shows, they are going there under their own steam and assistance, with what help we are able to give—suddenly our State Department assumes the position that Israel must take not only 500,000 or 600,000 Jewish refugees from Europe, but also must absorb 800,000 displaced persons, Arabs, from the Middle East. I believe that is a tragedy and a travesty, and I believe the State Department in sponsoring such a policy is displaying the same devious and indefensible attitudes it has displayed in the past in yielding to their importunities.

I say that the proper solution is similar to that which I have received first from the mouth of Herbert Hoover, who has advocated it for many years for the solution of the Middle East problem, namely, to use the area at the mouths of the Tigris and Euphrates Rivers, where the Garden of Eden once was. In flying over that area, one sees the valley where all the people of Mesopotamia once lived in comparative contentment. Under the British, surveys have been made, showing the entire practicality of carrying out a

development there for the colonization not only of the 800,000 Arabs, but also of all the other Arabs who desire to give up their nomadic life. Nor does the development of such a plan require the appropriation of millions of dollars by the United States or large amounts of money by other countries, because hundreds of millions of dollars are now being paid to Britain in oil royalties. If the State Department would show half the solicitude for this problem, not only for the Arabs and the Jews, but also for the American taxpayers, that it is displaying in behalf of the dubious and devious policies it has hitherto pursued, it would meet with the entire cooperation, I am sure, of the oil companies, because they are vitally concerned, more than anyone else, with preserving the stability of their franchises in the Middle East.

Mr. President, I say that to pursue the policies we are now pursuing is a course best calculated to throw the Middle East and the Arabs into the hands of the Communists, and then it will not be very long before the benighted heads of the states of the Middle East, including Ibn-saud and the others, will be thrown off their thrones, just as Ibn-saud threw his predecessors off the throne. Under present circumstances, it is doubtful whether many Arabs would be particularly concerned if such changes occurred. If I were one of the Arabs, living as I saw them at Basra and in Azerbaijan during the war, I do not think I should be very particular as to the sort of ideology I embraced, because it could not be worse than what I had. That is why I say that the American State Department had better reconsider its policies, the discarded and outmoded colonistic policies of the British Foreign Office at No. 10 Downing Street, and begin to think in terms of America and of American foreign policy and of American foreign interests, and of solving the problem of Arab refugees by the very simple solution which is so obviously at hand, which will solve not only the problem of Israel, not only the problem of the Arabs, but also the problem of erecting the bulwarks in the Middle East against the penetration of the Communist ideology, which will as certainly overrun Arabia and the Middle East as it has the Orient, unless America shall in the not too distant future reconsider the policies it has pursued.

UNANIMOUS-CONSENT AGREEMENT TO VOTE ON CERTAIN AMENDMENTS TO THE LABOR BILL

During the delivery of Mr. BREWSTER's speech,

Mr. LUCAS. Mr. President, will the Senator from Maine yield, in order that I may propose a unanimous-consent agreement?

Mr. BREWSTER. I am happy to yield for that purpose, provided I may do so with the understanding that I do not lose the floor.

Mr. LUCAS. I ask unanimous consent that by yielding to me for this purpose, the Senator from Maine will not lose the floor.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. BREWSTER. I ask that these remarks appear at the conclusion of my speech.

Mr. LUCAS. I so request, Mr. President.

The VICE PRESIDENT. Without objection, that will be done.

Mr. LUCAS. Mr. President, I wish to propose a unanimous-consent request with respect to the business now before the Senate.

I ask unanimous consent that on the calendar day of Tuesday, June 28, 1949, at not later than the hour of 1 o'clock p. m., the Senate proceed to vote, without further debate, upon the amendment proposed by the Senator from Florida [Mr. HOLLAND], for himself and other Senators, to title III of the substitute proposed by the Senator from Utah [Mr. THOMAS] to Senate bill 249, the National Labor Relations Act of 1949, or any amendment proposed thereto; that on the said day, at not later than the hour of 2 o'clock p. m., the Senate proceed to vote, without further debate, upon the amendment of the Senator from Illinois [Mr. LUCAS] to the amendment proposed by the Senator from Ohio [Mr. TAFT] as a substitute for title III of the said Thomas substitute; and that on the said day, at not later than the hour of 3 o'clock p. m., the Senate proceed to vote, without further debate, upon the amendment proposed by the Senator from Ohio [Mr. TAFT] to title III of the said Thomas substitute or any amendment which may be proposed thereto.

The VICE PRESIDENT. Is there objection?

Mr. TAFT. Mr. President, reserving the right to object, it seems to me that there should be 2 hours after the meeting of the Senate, before the first vote is had, the one on the amendment of the Senator from Florida [Mr. HOLLAND].

Mr. LUCAS. I agree with the Senator from Ohio. I had in mind having the Senate take a recess on Monday, until 11 o'clock a. m. the following day, which would give us a 2-hour period in which to debate the Holland amendment, as the Senator from Ohio has now requested.

The VICE PRESIDENT. Is there objection?

Mr. TAFT. And that is part of the understanding, is it?

Mr. LUCAS. That will be a part of the understanding.

Mr. TAFT. Mr. President, further reserving the right to object, let me inquire how the time is to be divided in the case of each of these amendments. I assume that in each case it is to be divided between the proponent of the amendment and some other Senator, to be selected by opponents.

Mr. LUCAS. I have made no provision in the unanimous-consent agreement, but I now make the request that the time be equally divided between the proponents of amendments and the opponents; and so far as the amendment of the Senator from Florida is concerned, I should like to have one-half of the time controlled by the distinguished chairman of the committee. I should like also to have one-half of the time controlled by the distinguished chairman of

the committee in the case of the Lucas amendment and the Taft substitute.

Mr. TAFT. Except, if the Senator does not mind, if I can control the time for the opponents, on the Lucas amendment, because I would not want the Senator from Illinois to have half the time and the distinguished chairman of the committee to have the other half.

Mr. LUCAS. I do not want any time on my amendment. I wish to turn all that time over to the distinguished chairman of the committee.

Mr. TAFT. And then the opposition's time will be controlled by me, possibly?

Mr. LUCAS. That is correct, and it will be so understood.

The VICE PRESIDENT. Is there objection?

Mr. HOLLAND. Mr. President, reserving the right to object, let me say that I was not on the floor of the Senate when the unanimous-consent agreement was proposed by the distinguished Senator from Illinois. I have no objection to it, insofar as the amendment offered by three other Senators and myself is concerned.

I wonder whether one of the results of the unanimous-consent agreement, if adopted, will be to cut off the consideration of any amendment to the Thomas bill which might be offered, other than as to our particular amendment, it being my recollection that both the amendment of the Senator from Illinois and the amendment of the Senator from Ohio are in the nature of substitutes, and would be inferior to any amendment offered to the Thomas bill between now and Tuesday.

Mr. LUCAS. I am sure that any perfecting amendment that is offered to the Thomas bill will still be in order after the unanimous-consent agreement is disposed of. That would be my judgment in regard to the matter.

In other words, in that unanimous-consent request we are dealing only with the perfecting amendment offered by the Senator from Florida to the Thomas bill and the perfecting amendment offered by the Senator from Illinois and the substitute offered by the Senator from Ohio to title III of the Thomas bill.

Mr. HOLLAND. I so understand; but I am asking the distinguished majority leader to address his attention to the fact that if another amendment, other than the one offered by myself and others, directed to the Thomas bill, should be offered between now and Tuesday, it would take priority over the two amendments in the nature of a substitute. Is that correct?

Mr. LUCAS. It would not take priority if the unanimous-consent agreement I am proposing is agreed to.

Mr. TAFT. Mr. President, I understand that what the Senator says is that as to the substitute which I have offered to title III of the Thomas bill, any amendment to the substitute shall be voted upon at 3 o'clock, regardless of whether any other amendments are offered in the meantime or not. Is that correct?

Mr. LUCAS. That is my understanding. In other words, I do not think we

should cut off the offering of any amendments to the original Thomas bill, and I do not propose to do so.

Mr. HOLLAND. That would be the effect, if any Senator proposed an amendment to the Thomas bill between now and Tuesday.

Mr. TAFT. Yes. However, under this agreement, nothing would prevent the offering of a further amendment to the Thomas bill after the vote at 3 o'clock on my amendment, unless my amendment should be adopted, in which case that section would no longer be open to amendment.

The VICE PRESIDENT. A final vote on the substitute offered by the Senator from Ohio to title III would preclude the offering of any further amendments to title III if the Senator's amendment or substitute should be adopted. But if it were not adopted, title III would still be open to amendment.

Mr. LUCAS. That is the way I understood the matter.

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement proposed by the Senator from Illinois?

Mr. HOLLAND. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. Mr. President, I should like to ask the Senator from Illinois, if I may have consent to do so, whether there are any other amendments dealing with injunctions.

Mr. LUCAS. There are no other amendments of that sort, so far as I know, which are now offered and on the table.

Mr. President, will the Senator from Maine yield for a further announcement in connection with this unanimous-consent agreement?

Mr. BREWSTER. I yield.

Mr. LUCAS. In view of the agreement we have now reached, I may say the Senate will not hold a session tomorrow. As a result of the agreement, we shall get a final determination upon the national emergency provisions of the bill, which it seems to me may go a long way to control the progress of the bill thereafter, regardless of what the vote on those provisions may be.

Mr. BREWSTER. Mr. President, may I inquire of the Senator from Illinois whether other matters may be brought up either this afternoon or Monday, which will displace temporarily the pending business?

Mr. LUCAS. There is a possibility of that, I may say to the Senator. There are conference reports to come in. I am not sure about appropriation bills. There is also a bill on the Calendar in which both the Senator from Washington and the majority leader are very much interested. The Senator from Washington hopes to displace temporarily the pending business a little later on, to take up the measure affecting the disposition of maritime property, as I recall.

Mr. BREWSTER. I share the concern of the Senators from Washington and Illinois in that matter, and I very much

hope the bill may be considered as promptly as possible.

Mr. LUCAS. I thank the Senator for his cooperation upon that very important measure. We hope to get it out of the way this afternoon.

Mr. BREWSTER. I understand this colloquy will be placed at the end of my remarks so that the torrent of my speech will flow on uninterrupted.

The VICE PRESIDENT. That has been ordered.

MESSAGE FROM THE HOUSE

During the delivery of Mr. BREWSTER's speech.

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3082) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 28, 38, and 40, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 44 and 45, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 22, 23, and 24 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2859) to authorize the sale of public lands in Alaska; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON, Mr. REDDEN, Mr. BENTSEN, Mr. WELCH of California, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a conference report on House bill 3082, the District of Columbia appropriation bill, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3082) making appropriations for the gov-

ernment of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11 and 19.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 6, 7, 8, 9, 10, 15, 17, 18, 21, 23, 25, 26, 27, 29, 30, 32, 33, 34, 35, 36, 37, 39, 41, 42, 43, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, and 65, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$260,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$767,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$351,300"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$14,150,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,868,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,154,260"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$420,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,075,250"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,189,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,443,989"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,040,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$976,222"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,072,098"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 28, 38, 40, 44, and 45.

LISTER HILL,
JOSEPH C. O'MAHONEY,
HARLEY M. KILGORE,
LESTER C. HUNT,
MILTON R. YOUNG,
Managers on the Part of the Senate.
JOE B. BATES,
SIDNEY R. YATES,
FOSTER FURCOLO,
CLARENCE CANNON,
RALPH E. CHURCH,
LOWELL STOCKMAN,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, I move the adoption of the report.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama briefly explain the situation?

Mr. HILL. Yes. The conferees on the part of the Senate, both those representing the majority and those representing the minority, were in unanimous agreement. There was no dissent on the part of either the House conferees or the Senate conferees.

There are two amendments on which we are to vote separately, because the rules of the House require that they be voted on separately. However, there was unanimous agreement on the part of both the House and the Senate conferees, both the majority and the minority members.

Mr. KNOWLAND. I have no objection.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3082, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

June 24, 1949.

Resolved, That the House agree to the conference report to the bill (H. R. 3082) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes";

That the House recedes and concurs in Senate amendments numbered 28, 38, and 40;

That the House recede from its disagreement to the amendment of the Senate numbered 44 and agree to the same with an amendment, as follows: In lieu of the figure proposed by said amendment insert "3½";

That the House recede from its disagreement to the amendment of the Senate numbered 45 and agree to the same with an amendment, as follows: In lieu of the figure proposed by said amendment insert "3¼."

Mr. HILL. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 44 and 45.

The motion was agreed to.

IMPROVEMENT OF POSTAL SERVICE—
MESSAGE FROM THE PRESIDENT (H. DOC. NO. 239)

The PRESIDING OFFICER (Mr. SCHOEPP in the chair) laid before the Senate a message from the President of the United States, which was read by the Chief Clerk and referred to the Committee on Post Office and Civil Service.

(For President's message, see today's proceedings of the House of Representatives on pp. 8340-8341.)

AGRICULTURAL APPROPRIATIONS—
CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a conference report on House bill 3997, making appropriations for the Department of Agriculture for the fiscal year 1950, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3997) making appropriations for the Department of Agriculture, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 6, 12, 13, 31, 41, 48, and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 14, 15, 17, 21, 25, 26, 27, 33, 42, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, and 71, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$19,000,000, of which not less than \$45,000 shall be available for work under Title II for the development of new and expanded market outlets for oilseeds, fats and oils and their products, and not less than \$180,000 shall be used under section 10 (a) for additional research on fats and oils, of which latter sum not less than \$45,000 may be used for contracts with public or private agencies as authorized by the said Act of August 14, 1946"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$713,293"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert "\$518,800"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,390,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,236,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,694,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,464,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$401,740"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,966,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment, insert "and the provisions of the Forest Pest Control Act (\$250,000 which may be transferred to and made a part of the appropriation 'Forest Pest Control Act')"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$243,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$645,525"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$575,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,645,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$565,350"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,920,050"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,159,600"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$25,300,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "and the limit of cost for not to exceed one building constructed at Horsehoe Organization Camp, West Virginia, shall be \$22,500"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$10,348,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$117,188"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$9,500,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,400,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,225,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree

to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "Provided further, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "\$300,000,000, of which not to exceed \$15,000,000 may be used for acreage allotments and marketing quotas"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "Provided further, That the county agricultural conservation committee in any county with the approval of the State committee may allot not to exceed 5 per centum of its allocation for the agricultural conservation program to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program and the funds so allotted shall be utilized by the Soil Conservation Service for technical and other assistance in such county"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$83,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 22, 23, and 24.

RICHARD B. RUSSELL,
CARL HAYDEN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
ELMER THOMAS,
CLYDE M. REED,
CHAN GURNEY,
HOMER FERGUSON,

Managers on the Part of the Senate.

JAMIE L. WHITTEN,
WILLIAM G. STIGLER,
EDWARD H. KRUSE, JR.,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KNOWLAND. Mr. President, is this a unanimous report of the conferees?

Mr. RUSSELL. It is. All members of the conference signed the report.

Mr. WILEY. Mr. President, may we have an explanation?

Mr. YOUNG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. YOUNG. The Senate adopted an appropriation item in the amount of

\$50,000 for the control of the wheat sawfly in various northwestern States. I am wondering what happened to it in conference with the House.

Mr. RUSSELL. Mr. President, the Senator from North Dakota [Mr. Young] in committee offered the amendment. The \$50,000 was not included in the budget estimate, but the committee was sufficiently impressed with the statements made by the distinguished Senator to approve the amendment providing an appropriation of \$50,000.

The Senate conferees insisted upon the full amount. Finally, we were compelled to yield \$15,000 of the amount. The bill in its present form, carries \$35,000 of the amount asked in the Senator's amendment, which was \$50,000. It is not specifically earmarked in the report, but it was the clear, definite, unequivocal understanding on the part of the conferees that \$35,000 of that item should be used for the wheat sawfly.

Mr. YOUNG. Is it the opinion of the Senator from Georgia that this amount of money will definitely remain available for that purpose?

Mr. RUSSELL. There is no doubt about it. It is just as definite as is any other item in the bill.

Mr. YOUNG. I appreciate the fight which the Senator made to obtain the full amount, but I realize that the conferees have to yield at times. This \$35,000 together with a \$6,000 carry-over and \$30,000 of research and marketing funds will provide a fairly good program.

Mr. RUSSELL. We were compelled to yield, as in the case of some other items. The Senator offered two other amendments to the bill, in the committee. One was with reference to the construction of two buildings at the experiment station at Mandan, N. Dak., involving \$16,000. The House receded as to that item, and the money is provided for in the bill.

The Senator likewise offered an amendment to increase the soil conservation appropriation to \$300,000,000. The House receded on that amendment, but we were compelled to insert a proviso that at least \$15,000,000 of the amount would be available for the expenses of the elections in connection with the quotas for crops if they were imposed. I might say that I think the Senator came out remarkably well.

Mr. YOUNG. I think the Senator from Georgia did a better job than I could have done in the matter if I had been a conferee.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. In the brief time I have had to examine the report, I have not been able to find the item for the school-lunch program. Will the Senator state what came out of the conference with reference to that item?

Mr. RUSSELL. The committee amendment added \$12,500,000 to the \$75,000,000 carried in the House bill. In the conference the Senate was compelled to surrender \$4,000,000 of that amount. We therefore saved the amendment to the extent of \$8,500,000. The total amount in the bill at the present time

for the school-lunch program for the ensuing fiscal year is \$83,500,000. That is a larger amount than has ever heretofore been appropriated.

Mr. HOLLAND. If the Senator from Florida correctly understands the answer of the Senator from Georgia, it indicates that the appropriation is \$8,500,000 larger.

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. There is one more question which I should like to ask. Again, I have not been able to find the item. Will the Senator state to the Senate what was done with reference to the research program regarding the gladiolus industry, which, as the Senator will remember, has been sustaining damage from a new disease.

Mr. RUSSELL. The gladiolus item, for which the Senate allowed \$25,000, was embraced within item No. 18 which the Senator will find on page 8, at the bottom of the page. In reaching an agreement on this item, for which the House appropriated \$2,347,000 and the Senate appropriated \$2,581,000, we finally agreed upon the sum of \$2,464,000.

In lieu of earmarking a given sum as a definite amount for gladiolus, the conference report directs the Department to give the subject appropriate study within the total amount appropriated, which is \$2,464,000.

I may say to the Senator from Florida that I am confident considerable work will be done in the gladiolus field. It is a problem which should commend itself especially to the Department. It has been a great education to me to sit on the committee. I have been privileged to be on the committee for a number of years, and every year something new comes up. Until this disease attacked gladiolus plants I had no idea that this was a \$100,000,000 industry, and that thousands of small farmers throughout the land depend upon the gladiolus for their livelihood, selling them sometimes at retail.

I am very confident that the Department will give attention to the matter, because the committee earmarked it in specific language in the report.

Mr. HOLLAND. If the Senator will yield for one additional question, am I correct in my understanding that the gladiolus item is to be taken care of out of the total excess of the item, for which the bill now carries \$2,464,000 as compared to the House appropriation of \$2,347,000, or a total excess of \$117,000? Am I correct in my understanding that it is to be taken care of out of that excess?

Mr. RUSSELL. It is my understanding that it is to be taken care of out of the \$2,464,000 and that the Department is directed to give the problem appropriate study. When we merged the appropriations we directed the Department to take appropriate action. The entire item covers all diseases of fruit, vegetable, and specialty crops. The amount is \$2,464,000.

Mr. HOLLAND. Mr. President, I desire to express my appreciation and thanks to the distinguished Senator from Georgia and the other conferees for their

effective efforts in the items which I have mentioned.

Mr. RUSSELL. I thank the Senator. Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. I want to add my own commendation of the committee for making provision for this research in respect to diseases affecting gladiolus. I appeared before the committee and submitted some data on the subject, showing how very adversely this industry, a large part of which is centered in Florida, is affected by diseases.

Mr. RUSSELL. The Senator from Florida further made the point that it was affecting the Treasury of the United States, because the disease had so great an impact upon a constituent of the Senator that the Treasury had lost a large amount.

Mr. PEPPER. The acute memory of the Senator from Georgia discloses itself on the floor. That was one of the things I emphasized. Now that the committee has called attention to it and has directed the Department of Agriculture to address its attention to the difficulty, I am sure it will be treated adequately by the Department.

Mr. RUSSELL. I hope the Department will be able to find some means of dealing with the disease, because, while all the producers are not quite so large as the one which the Senator from Florida represents, yet many are affected.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Nevada.

Mr. McCARRAN. I should like to ask the Senator what was done in conference with reference to the meat inspection item?

Mr. RUSSELL. The House finally receded on that item and allowed the full amount of the budget estimate.

Mr. McCARRAN. With regard to the Forest Service item, an item in connection with which the senior Senator from Nevada especially presented the matter of a public camp ground on Lake Tahoe, how was that taken care of?

Mr. RUSSELL. Mr. President, that is a matter which cannot be explained in a few words. The forestry item was the subject of perhaps longer discussion in the several meetings of the conferees than was any other item. As the Senator will recall, the House appropriated \$24,971,000. The Senate restored the full amount of the budget estimate and added \$262,500 for dealing with various emergency matters within the recreational areas, not only at Lake Tahoe, but in other national forests. Earmarked of that amount was, I believe, \$82,500 for Lake Tahoe, on the motion of the senior Senator from Nevada.

After discussing the matter for hours in the conference, we agreed on a total of \$26,300,000. That was slightly below the budget estimate and the Senate figure. The House conferees would not concur in the use of the exact amount which was earmarked in the Senate report, but they did agree to direct the Department to carry on some work in every one of the areas mentioned spe-

cifically in the Senate report. In my judgment it will result, to make a rough estimate, in a reduction in the amount to be expended in the Lake Tahoe area from \$82,000 to perhaps \$50,000. That amount is not earmarked in the report, but it was about the proportion the Senate conferees had in mind in dealing with this matter, and we have directed the Department to do certain work in the Lake Tahoe area.

Mr. LONG. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Louisiana.

Mr. LONG. One very minor but important item to certain sections of my State was the pecan experiment station at Freeport, La. Will the Senator state whether that experiment station will be continued?

Mr. RUSSELL. It is intended that the station will be continued.

Mr. LONG. We are also interested in items for additional tree nurseries for reforestation.

Mr. RUSSELL. I regret that there will be no new forest nurseries established, though there is a substantial increase in the funds for that purpose.

Mr. LONG. My State was interested in simply using existing nurseries for investigation.

Mr. RUSSELL. There is money in the bill for increased activity in the nurseries. I do not know what the capacity of the nurseries in the Senator's State is.

Mr. PEPPER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the senior Senator from Florida.

Mr. PEPPER. I notice that \$83,500,000 was saved for the school-lunch program, which is \$8,500,000 more than we have been able to get in the past.

Mr. RUSSELL. That is correct.

Mr. PEPPER. May I ask the Senator if there was retained the provision which I believe was in both bills, that it is now to be an appropriation out of the Treasury, and not from the use of section 32 funds?

Mr. RUSSELL. There was no issue between the two Houses on that. All section 32 funds are available for expenditure. None of them are earmarked for the school-lunch program. The appropriation is to be a direct appropriation from the Treasury.

Mr. PEPPER. I wish warmly to commend the able Senator from Georgia and his committee for what they have done in these two items with respect to the school-lunch program. To have gotten in this bill an appropriation out of the general treasury fund rather than out of section 32 funds, and to have added \$8,500,000 to the gross amount, is a very splendid achievement in the school-lunch program.

Mr. RUSSELL. I thank the Senator. I deeply regret we could not gain the whole \$12,500,000, but in view of all the circumstances, I think we were fortunate.

Mr. PEPPER. If we make as much progress next year as we made this year, we will be moving along.

Now I should like to ask the Senator a question as to rural electrification.

Mr. RUSSELL. There was no conflict between the House and the Senate on that. Both bills carried \$500,000,000 for loans, and something above \$6,000,000 for administrative expenses. So there was no issue between the two Houses on that item.

Mr. BALDWIN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Connecticut.

Mr. BALDWIN. On page 26 and succeeding pages of the Senate bill, which I take it is the one which the Senator took to conference, and the one which was passed with amendments by the Senate, there were substantial appropriations for the Bureau of Entomology and Plant Quarantine. I should like to ask the Senator whether, in connection with those appropriations, any consideration was given to the expenditure of funds for the eradication or the combating of the Dutch-elm disease.

Mr. RUSSELL. Indeed, there is an item in the bill for the Dutch elm disease. It is in the nature of a research appropriation. The field program which has been in effect in prior years will not be in effect in the coming fiscal year, but there is money in the bill for continuing research in an effort to find some means of dealing effectively with this disease other than by digging up the trees. That is the only way we know of at the present time to combat the disease.

Mr. BALDWIN. In other words, there is no money in the bill for the destruction of the trees which are affected by the Dutch elm disease?

Mr. RUSSELL. No, there are no funds in the bill for that purpose.

Mr. BALDWIN. I regret that. I do not wish to appear to criticize the distinguished Senator from Georgia—

Mr. RUSSELL. I should not object at all to the Senator criticizing me. I would have been glad to have carried on the fight for this item. I was tremendously impressed with the irreparable damage being done to the beauty of the American landscape, and almost to the American tradition, by having the elm trees practically eradicated by this disease. I have carried on a fight in the committee for years to get adequate funds for the purpose of investigating the disease. This year the House made no effort to raise the amount, and there was no effort in the Senate committee, and I finally wearied of well-doing and did not make any fight for the eradication of the Dutch-elm disease in the field. I think it will be a great tragedy if the elm goes the way of the American chestnut. There is scarcely a chestnut tree alive in the country today. The blight has killed them from Maine to Tennessee, and it will be a great tragedy to have the elms, which have graced the campuses and the highways of the United States, eliminated by this disease.

Mr. BALDWIN. I thank the Senator for his efforts, and I join heartily in what he has said. I regret that there could not be an appropriation for actually dealing with this matter beyond an appropriation for study and investigation. In Connecticut we have found that one

of the best ways of fighting the disease is, the moment a tree is infested, to cut the tree down and destroy the wood, because apparently, in the process of breeding, the Dutch-elm disease must live in the bark or in the branches of a tree. Many of our cities and towns have put on quite comprehensive programs in that direction, but help from the Federal Government is certainly sorely needed.

Mr. BRICKER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Ohio.

Mr. BRICKER. There is no limitation on the coordinated activity between the Department of Agriculture and the various research departments of the States in the control of the Dutch-elm disease; is there?

Mr. RUSSELL. Not on research.

Mr. BRICKER. That will continue?

Mr. RUSSELL. That will continue.

Mr. BRICKER. Does the bill also encompass a much more dangerous disease found throughout the Middle West, the phloem necrosis, which is a virus disease, and not in any way connected with the Dutch-elm disease?

Mr. RUSSELL. I cannot say I am completely familiar with that. Is it a fungus?

Mr. BRICKER. It is a virus destroying the great elm trees today far more than the Dutch elm disease.

Mr. RUSSELL. I cannot answer the Senator specifically.

Mr. BRICKER. I only know of the research which has been going on through the experiment stations of my State, and it has been proceeding in conjunction with the Department of Agriculture.

Mr. RUSSELL. If that be the case, it will continue.

Mr. BALDWIN. If I recollect correctly, Mr. President, no doubt due to the efforts of the Senator from Georgia, the appropriations passed by the Senate exceeded those passed by the House?

Mr. RUSSELL. That is correct.

Mr. BALDWIN. And the Senator from Georgia, by his fine work on the conference committee, was able to get the House to recede and accept the Senate's version of these particular appropriations, as I view it, for which I wish to commend him.

Mr. RUSSELL. That is not altogether correct. We gained the greater part of the Senate increases, but we did not convince the House conferees as to the necessity of appropriating all the Senate allowed. The House did recede on the insect and plant-disease-control item, but in the item relating to insect investigations, the total amount allowed is \$3,502,300, which is considerably above the amount which was provided by the House.

Mr. BALDWIN. In that amount there no doubt will be a substantial expenditure for dealing with the pests and diseases which affect the elm tree?

Mr. RUSSELL. Oh, yes. There is an item of more than \$500,000 for dealing with forest insects. Considerable research work will continue to be carried on respecting the Dutch-elm disease. But the field program, under which dead trees were located, were dug up and de-

stroyed so as to prevent the spread of the disease, has been completely relegated to the States. The Federal Government does not continue to take part in that program. The research and the laboratory program will continue.

Mr. BALDWIN. I thank the Senator from Georgia.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield for one more inquiry?

Mr. RUSSELL. I yield to the Senator from Florida.

Mr. HOLLAND. The Senator will recall that the so-called Gillette subcommittee of the Committee on Agriculture and Forestry, of which the junior Senator from Florida happens to be a member, was interested in assuring a research program in the field of animal and vegetable fats and oils, because of the distressed marketing situation in that particular field. As I recall, the Senate added \$180,000 to the appropriation for regional research laboratories for that purpose. I am not clear from the conference report as to whether that \$180,000 was or was not retained, as it appears that the original amount of the House appropriation became the final conference amount. Will the Senator state for the record just what is the action of the conference committee in that regard?

Mr. RUSSELL. Yes. The Senate increased the total appropriation by \$200,000, \$180,000 for research and \$20,000 for trying to develop new markets and outlets for animal and vegetable fats and oils. Incidentally, they are very depressed at the present time. We were able to secure a provision in the bill which will insure that the work will go on exactly as contemplated in the Senate bill. We were compelled, however, to take the \$200,000 away from the other funds already appropriated for research and marketing, whereas the Senate had increased the total amount.

So far as the program to which the Senator from Florida refers is concerned, it will be carried out exactly as contemplated by the Senate. It will be done, however, at the expense of other programs of marketing and research.

Mr. HOLLAND. I thank the Senator from Georgia. It seemed to all the members of the Gillette subcommittee that there was not a more necessitous field for research at this time in connection with agriculture, than the one to which I have referred.

Mr. RUSSELL. I agree with the Senator. And the House finally agreed with us in that respect likewise.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter I received from the Secretary of Agriculture, in which he expresses some concern to what was intended by the conference committee in dealing with the item of the bill relating to the soil-conservation appropriation, which was offered by the junior Senator from North Dakota [Mr. Young]. In the House bill there was an item of \$30,150,774, which was provided for the administration of acreage allotments and marketing quotas for the fiscal year 1950. In the item of \$300,000,000

for soil conservation, the conference report earmarks \$15,000,000 for this purpose. The Secretary in his letter expresses concern that the \$15,000,000 might be considered a limitation on the size of the program, and that if next year quotas were necessary in several commodities it might not be possible to finance them out of the same \$15,000,000.

There was no intention on the part of the conference to limit the total appropriation to \$15,000,000. It was the clear intention of the conferees to permit as much as \$15,000,000 of the \$300,000,000 soil-conservation appropriation to be expended for the purpose of quotas if it was necessary to do so, to be effected by transfer from this appropriation to the item in the bill for acreage allotments and marketing quotas. We did not intend to increase it above the \$30,000,000 contained in the House bill, but the intention was that if after the Department had expended \$15,000,000 of the \$30,000,000 item there were any other requirements of funds for the purpose of acreage allotments and marketing quotas, then the limitation of \$15,000,000 might be transferred from the soil-conservation appropriation.

The PRESIDING OFFICER. Without objection, the letter to which the Senator from Georgia referred, will be printed in the RECORD.

The letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, June 24, 1949.

HON. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agricultural Appropriations,
United States Senate.

DEAR SENATOR RUSSELL: My attention has just been called to amendment No. 51 proposed in the conference report (House Rept. No. 899) on the agricultural appropriation bill, fiscal year 1950. I am concerned regarding the intent of the proposed amendment which might be interpreted to limit to \$15,000,000 the program which the Department is developing for acreage allotments and marketing quotas in connection with 1950 crops.

As you know, the bill carries \$30,150,774 for acreage allotments and marketing quotas in fiscal year 1950. As far as it is possible to foresee at this time, there is no reason to believe that a lesser amount will be required in fiscal year 1951. This conclusion is based on the heavy carry-over of 1948 crops and the anticipated large production in 1949 which it now appears will make quotas mandatory on the 1950 crops to be financed from the 1951 appropriation. With this outlook, we assume that it is not the intent of the conference committee to preclude the Department from carrying out the obligation which it has under existing law for the administration of acreage allotments and marketing quotas. This would be the result, however, if the \$15,000,000 is to be considered as a limitation on the size of the program which the Department can formulate.

On the other hand, if it is the intent of the committee that \$15,000,000 of the \$300,000,000 is to be made available for acreage allotment and marketing quota work but to be supplemented by such additional amount as may be necessary, a clarification of the intent of the Congress is desirable. Inasmuch as we are now considering Department estimates for the fiscal year 1951 which must be submitted, under the provisions of the Budget and Accounting Act, to the Budget Bureau

by September 15, it is essential that we have an early clarification.

I am sending a similar letter to Mr. WHITTEN.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3997, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 24, 1949.

Resolved, That the House agree to the conference report to the bill (H. R. 3997) entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes";

That the House recede from its disagreement to the amendment of the Senate numbered 22 and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$302,000";

That the House recede from its disagreement to the amendment of the Senate numbered 23 and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$3,562,300";

That the House recede from its disagreement to the amendment of the Senate numbered 24 and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert ", of which \$173,500 is for bee culture: *Provided*, That \$450,000 shall be available for oriental fruitfly, of which \$25,000 may be transferred to and consolidated with the appropriations, "insect and plant disease control" and "foreign plant quarantine", to either or in part to each as may be deemed best, for inspection and/or control work on this pest; and \$250,000 may be used for contracts with public or private agencies for research without regard to provisions of existing law, and the amounts obligated for contract research shall remain available until expended.

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 22, 23, and 24.

The motion was agreed to.

THE POST OFFICE DEPARTMENT

Mr. LANGER. Mr. President, I want to commend the President for his message in connection with the post offices of this country, and particularly for the last two paragraphs on page 2 of his message. These paragraphs are as follows:

In order to strengthen further the management of the Post Office Department, I have transmitted a reorganization plan to the Congress. This plan gives to the Postmaster General essential authority to organize and control his Department by transferring to him the functions of all subordinate officers and agencies of the Department. It also provides for the establishment of the position of Deputy Postmaster General and an Advisory Board for the Post Office Department. These measures are essential to furnish the Postmaster General with much needed assistance and to make available to him the advice of outstanding private citizens.

I call the particular attention of the Senate to the next paragraph:

Legislation is now before the Congress which would authorize the Postmaster General to establish a research and develop-

ment program. The investigations and studies under this program would be for the purpose of improving and introducing new equipment, methods, and procedures in the postal service in order that the business of the Post Office Department may be more efficiently and economically handled.

Mr. President, I think it can be said without fear of successful contradiction that the reason the Post Office Department has such enormous deficits year after year is due to the fact that the Postmaster General in reality has very little power, as I shall demonstrate later in the course of my remarks.

Before I go into that subject I should like to state that one of the fine jobs done during the Eightieth Congress, although the Eightieth Congress and the Republicans received very little credit for it, was that the members of the Committee on Post Office and Civil Service last year, when they went out to speak in different parts of the country, time and time again said that we objected to the Chairman of the Republican Party or the Chairman of the National Democratic Party being appointed Postmaster General. We had witnessed the spectacle, I believe for nearly 30 years, of a politician, whether Republican or Democrat, who happened to help elect the President of the United States, being appointed Postmaster General of the United States. The result was that he would usually appoint another politician, and those two politicians would get a third man really to operate the office. The situation became worse and worse, more and more desperate, and the deficits became larger and larger as the years went by. So we introduced certain legislation.

We wanted two things: First, we wanted a career man, a man who rose from the bottom, a man who knew all about the Post Office Department, from the lowest rung of the ladder up to the very top. For the first time in the history of the country the President of the United States appointed a man of that character when he appointed Jesse M. Donaldson Postmaster General. Mr. Donaldson had been a common, ordinary, everyday letter carrier. From letter carrier he had advanced by merit until finally he came to Washington and became First Assistant Postmaster General.

When the La Follette-Monroney Act came along providing for experts to committees at \$10,000 a year, one of the very first things the Committee on Post Office and Civil Service did was to offer the biggest staff job of all to Jesse M. Donaldson. We asked him to come with the committee, to see whether or not, by having the benefit of his advice, we could do something to get rid of the deficit in the Post Office Department. Mr. Donaldson declined. Later we were all very happy unanimously to confirm the appointment of Jesse M. Donaldson to be Postmaster General.

We are now engaged in trying to devise legislation to get rid of the deficit. That brings me to the second point, the second thing which the Eightieth Congress tried to do well under Republican control. At the present time a man in the city of Detroit, Mich., for example,

may have risen from the very bottom. He may have been in the Post Office Department for 30 or 35 years. He may be the most efficient man in the entire city of Detroit. Yet out of a clear sky the Post Office Department can name some ward heeler, a man who knows nothing about the Post Office Department, a man who has had no business dealings with it except that perhaps once in a while he might have bought a postage stamp. Such a man can be named postmaster, and there is nothing the Committee on Post Office and Civil Service of the Senate can do about it. We can refuse to confirm the nomination, but if we do that, we find from experience that he is put in the office as acting postmaster, and he serves as acting postmaster month after month, and year after year.

So we introduced legislation in the Eightieth Congress to provide that in the first-, second-, and third-class post offices the postmaster should be appointed from the ranks. We provided that he should be appointed from the ranks of the men who actually do the work and actually know about the conditions in the particular office. Unfortunately we were unable to have such legislation passed. Unfortunately we still have a situation in which, for example, even the veterans' preference is laughed at in the Post Office Department.

It is a simple matter to keep a veteran from becoming a postmaster in any town. For example, in a town in Connecticut there may be an acting postmaster. Three persons take the examination. The acting postmaster is preferred by the Postmaster General. There is nothing in the law which says that after an examination is held, within a certain time a postmaster must be appointed. So we have a situation in which, if three persons take the examination, one who may be a nonveteran, is acting postmaster, and the other two may be veterans. After the examination is over, 6 months, a year, or a year and a half may go by. I know of an instance in Maryland of two veterans standing by for 2½ years. The question was asked, "When are we going to find out who is to be named postmaster?" The result was that the two veterans finally became tired of waiting. They went into other businesses. One of them left the State. Finally only the acting postmaster was left, and the acting postmaster at that time is today the postmaster of that town.

Likewise, during the Eightieth Congress we tried very hard to enact legislation which would make the post office self-sustaining. I wonder if Members of the Senate know that today there are four magazines of such large circulation and great weight that to send them through the mails costs the taxpayers of the United States \$9,000,000 in subsidies. In other words, the taxpayers pay \$9,000,000 a year more to have those magazines sent to the people of the country than the publishers of the magazines actually pay in postage to the United States Government.

I was interested at the time the distinguished Postmaster General testified

before the Senate committee. After he had testified the Postmaster General wrote me a letter, which I received this morning, in which he said:

DEAR SENATOR LANGER: The enclosed statement before the House committee on the rate issue is a little more complete than the one before the Senate committee. I hope you can find the time to read it.

I read it, Mr. President, and I thought it so interesting, so full of facts that I believe every Senator should know, that I concluded the best way to handle this testimony of the Postmaster General was to bring it to the floor of the Senate and go into it in detail. This testimony was given by the Postmaster General 4 or 5 weeks ago. He said:

In my previous appearance before this committee (the House committee) I made a general statement concerning the necessity for a readjustment of postal rates. I feel that it is important to point out briefly some of the facts previously related, and the urgent necessity for some action upon the part of Congress to eliminate the major portion of the huge deficit in the operation of the Postal Service.

The Post Office Department is today faced with the largest deficit in all its history. This large deficit is brought about by and through things over which the Post Office Department has little or no control.

That is why it is so important that the recommendation in the message sent to Congress today by the President of the United States asking for the adoption of the report of the Commission on Organization of the Executive Branch of the Government, so far as the Post Office is concerned, should be adopted as soon as we can possibly do so. The Postmaster General said:

Long-deserved wage increases have been granted the postal personnel, beginning with July 1, 1945.

Let me say in passing that those postal employees got no increase in salary from 1925 to 1945. For 20 years, in spite of the increased cost of living those postal employees struggled along, doing the best kind of a job they possibly could on their salaries, which were becoming lower and lower every day because of the increased cost of living.

Let me say further, Mr. President, that up until the Eightieth Congress the postal employees and the other Federal Government employees did not even have a decent retirement system. It is due to the Eightieth Congress and to the Republican Party that today a rural mail carrier or letter carrier knows, when he leaves his home in the morning, that if he is killed during the day, his wife and children will receive \$1,500 a year. That is not as much as it should be, but at least they will have for their support \$1,500 which they would not have had before the Eightieth Congress was able to make that provision for them.

Mind you, Mr. President, when we succeeded in obtaining the first increase in postal employees' salaries, a strange thing happened: We found that instead of increasing the pay of Federal Government employees, in many instances the amount of take-home pay they had was actually decreased. Up until that time, Federal

employees were paid for overtime, and they worked 6 days a week. But less than 2 weeks after we obtained the first increase in pay for them, the President of the United States by Executive order abolished overtime pay and created the 5-day week. Income taxes were also increased. The result was that, as a matter of fact, in a great many instances such employees had less money than they actually had before.

Of course, Mr. Donaldson is correct when he says that the increase in salaries has added to the postal costs in this fiscal year approximately \$625,000,000, which was not in the picture prior to July 1, 1945. However, I may add that a great deal of that money went back to the Government in the form of income taxes.

I call further attention to the Postmaster General's statement that—

Transportation costs in the current fiscal year are approximately \$125,000,000 more than they were in the fiscal year 1945. The estimated deficit for the current fiscal year is about \$550,000,000.

In other words, the deficit is over half a billion dollars. As I proceed to read from the statement the Postmaster General made before the House Post Office and Civil Service Committee, I shall make very clear why we have this enormous deficit.

The Postmaster General further said:

Over the years there have been many times in which the postal deficit was discussed and some questions raised concerning the elimination of this deficit. Up to the close of the fiscal year 1945 there were only two or three occasions over the last 100 years in which the postal deficit was of such proportion to really agitate and urge increased postal rates. From 1852 to 1921 the postal deficits ranged from a few thousand dollars to a high of \$17,000,000, and during that time there were 10 surplus years. The deficit in any one year during that time was not of such proportion to be alarming or to justify increased postal rates. A deficit in the fiscal year 1921 was \$157,000,000, but in the 9 years following it ranged from a low of \$14,000,000 to a high of \$98,000,000 in the fiscal year 1930. The deficit for the fiscal year 1931 was \$146,000,000. The deficit for the fiscal year 1932 was \$205,500,000, and this large deficit was of concern not only to the President and to the Postmaster General, but to the Congress.

As was stated by Postmaster Donaldson, the estimated deficit for the current fiscal year is approximately \$550,000,000. We can judge from the empty seats around us here in the Senate Chamber that not very many Members of the Senate are concerned about that.

I read further from the Postmaster General's statement:

As a result of this deficit the postage on letter mail was increased from 2 cents to 3 cents, and therefore the letter mail was required to bear the burden, and the costs of the Post Office Department were not equalized or spread by increasing rates on other classes of mail.

So, Mr. President, after that time when a farmer wrote a letter he paid 3 cents, instead of two, for the stamp to go on it; but the large, rich corporations which publish the big magazines did not have the postal rates on their magazines increased a single penny. On the other

hand, the common people of the country, whether on the farms or in the cities, suddenly found that they had to pay 3 cents, instead of two, for the postage on the letters they mailed. That change in postal rates also meant that if the business concerns, such as the large mail-order houses, had to pay more postage, the increased cost and expense was simply added to the charges paid by those who bought the articles they sold.

I read further from the statement by the Postmaster General:

From 1933 to 1942, inclusive, the deficits ranged from a low of \$14,000,000 in the latter year to a high of \$112,000,000 in the fiscal year 1933. Then followed 3 years, 1943, 1944, and 1945, in which there were cash surpluses—these were war years. The deficit in 1946 was \$129,000,000, and in 1947 it was \$205,000,000. The deficit for the fiscal year 1948—

During the year when I was chairman of the committee—

was more than \$300,000,000 and, as stated, the deficit for the current fiscal year will be approximately \$550,000,000.

The deficit for the fiscal year 1948 was of sufficient size to warrant a recommendation for a readjustment of postal rates. This committee held hearings last year which resulted in a revision of the postal rates effective January 1, 1949.

We revised the postal rates a little, but the increase made was wholly and entirely unsatisfactory. We were able to have the matter brought up in the Senate only on the last night of the session. The big corporations were still untouched, just as they are today.

I read further from the Postmaster General's statement:

However, in adjusting these rates under Public Law 900, no increased rates on second-class mail were provided.

In other words, Mr. President, we soak the common people and make them pay increased postal rates for sending a registered letter or an air mail letter or an ordinary letter, but we leave the big fellows alone, the ones who publish the big magazines that have circulations in the millions, and who charge thousands and thousands of dollars for a single page of advertising. They were untouched. I could not succeed in having their postal rates increased last year or the year before; and unless we do something about the matter, we shall not be able to touch them this year. They are too powerful. They can print on the front pages of their magazines too many beautiful pictures showing their readers what a great man some Representative or some Senator is, and in the picture his cheeks can be tinted up a little, to make him look pretty, and in the magazine beautiful articles about the gentleman can be published.

So, year after year, we have not been able to get these magazines to pay what they should have been paying long, long ago.

I read further from the statement by the Postmaster General:

There was provision in Public Law 900 not only for increased postal rates on certain classes of mail and fees on special services, but also for increased salaries to the postal personnel.

The cost for the increased salaries was approximately double the amount of revenue to be derived through the increased rates. This resulted in further increasing the postal deficit.

That is one reason for my being so proud today to have the President of the United States send to the Senate this message. For the first time in a very long period we find the President doing everything he possibly can to make the Post Office Department self-sustaining. I agree with the Postmaster General that the question of what shall be done about reducing the deficit of \$550,000,000 a year must be faced, and faced now.

I quote further from the Postmaster General:

It is my firm belief that the question of what shall be done about reducing this deficit must be faced now.

No fair-minded individual should ask the Post Office Department to continue to operate under such unsound financial conditions. I have repeatedly pointed out that our costs this year are more than \$800,000,000 in excess of what they were in the fiscal year 1945. This increase in cost has not been due to any mismanagement. Had we not absorbed a large amount of these increased costs the deficit for the current fiscal year might well be in excess of \$750,000,000.

I have recommended increased rates on mail matter of the second, third, and fourth classes, and increased fees covering most of the special services. There has been considerable opposition to the increased rates and increased fees. This opposition comes from the users of these three classes of mail and special services involved. The opposition is natural, as no one likes to pay increased prices for the things they have to buy. I have no criticism to offer because the users of the mails are opposed to these increased rates and fees. I do desire, however, to criticize some of the methods of opposition and the reasons given for the opposition.

Mr. President, I believe that the people of the country are entitled to know what the attitude of the Postmaster General is. I believe the people of America are entitled to know that the publishers of magazines, with circulations running into the millions, are being paid \$9,000,000 a year by the taxpayers to help them circulate their magazines, to help them pay the postal rates. Therefore, I ask unanimous consent that I may have included at this point in my remarks the remainder of the statement by the Postmaster General who, in my judgment, is one of the best Postmasters General this country has ever seen, a Postmaster General who has been absolutely fair, a Postmaster General who has determined to make everyone pay his just share of the expense.

The PRESIDING OFFICER. Is there objection?

There being no objection, the remainder of the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY POSTMASTER GENERAL JESSE M. DONALDSON BEFORE THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE OF THE HOUSE OF REPRESENTATIVES, MAY 23, 1949

I am disappointed in some of the opposition where there has been a desire to criticize the Post Office Department, charging inefficiency, waste, and poor management, and a failure on the part of the Department to modernize and streamline the service. Such opposition can be construed as a direct reflection not only upon the officials of

the Post Office Department, but also upon the half million loyal postal employees who handle the billions of pieces of mail for those who oppose increases in rates, most of which are handled at night while those who oppose these increases sleep.

No one could be more desirous than I am to see that all waste and inefficiency is eliminated wherever it may be found, and we in the Department are constantly striving in that direction. As previously related to this committee, there is some waste and inefficiency in any large business organization. There is no more in the Postal Service than can be found in nongovernmental business institutions of much less size in volume and scope than the Postal Service.

I am inclined to ask: Where is the waste? What suggestions have been made for streamlining the Postal Service? What do they suggest we do to decrease the cost? What is the modernization they imply we should adopt? What substitutions do they offer for the human eyes, hands, legs, and brain so necessary to perform the particular functions peculiar to the Postal Service?

I have repeatedly stated that 95 percent of the cost of the Postal Service is for salaries and transportation of the mails. I have no control over either. I have also stated that 85 percent of the manpower in the Postal Service is devoted to the collection, the distribution, the transportation, and the delivery of the mails.

Do those who oppose increased rates and fees desire that I reduce the cost of the service through reductions in the kind of service rendered? I can reduce costs by placing all rural service on a triweekly basis. I can reduce the costs by placing all city delivery service on a one-trip basis in residential sections and two trips in business districts. I can reduce costs by shortening the hours of all window service to the public. We can do many things to decrease costs by reducing or curtailing service to the public.

I do not believe that we are rendering a superservice which could be subjected to any such curtailment. I am interested in improving the service to the public and not in the curtailment of the service.

Our accounting methods are as accurate as those of any business institution. They are more voluminous and detailed than we would like, but practically all such methods are required by law.

I feel that it is not only my responsibility, but my duty, to report to the Congress on the fiscal condition of the Post Office Department, and in doing so make such recommendations as I feel the existing conditions justify in the light of this large deficit. In presenting these recommendations I do so without any criticism of the Congress or of the users of these classes of mail which are largely responsible for the deficit. The greater the mail volume of low-revenue producing mail, the larger the deficit.

A deficit of over half a billion dollars necessitates additional revenue, as there is no opportunity to reduce the cost of the service through reductions in salaries of the postal people or lessening the cost for transporting the mails. As a matter of fact, many bills are now pending before the Congress having to do with increased salaries for the postal personnel, and cases are pending before the Interstate Commerce Commission and the Civil Aeronautics Board for increased costs in the transportation field by both surface and air.

It has not been possible for me to read all the briefs that have been filed before this committee by those opposing increased rates and fees. Time has not permitted me to prepare detailed rebuttal to all the statements made in opposition to increased rates, even if I did desire to go into all the details. I think much of the testimony of the opposition has been irrelevant so far as the issue is concerned, but of course I recognize

the reasons given as perhaps being paramount to those who oppose increased rates.

SECOND-CLASS MAIL

Second-class mail is responsible for over \$200,000,000 of the deficit, and any fair person should realize that this class of mail should pay more postage in order that the burden of the Post Office Department may be distributed where it belongs. Subscription rates will advance accordingly, it is true, but in the end this will result in equalization and not placing the burden on users of the other classes of mail. All the other classes, except first-class mail, have already had rate increases. Publishers have strongly opposed any increases since 1934, and were successful in preventing inclusion of postage raises on newspapers and other periodicals when the Revenue Act of 1943 raised rates all along the line.

Early in the last session of the Eightieth Congress many hearings on the revision of postage rates and fees to reduce the mounting postal deficit were held, and the publishers as a group were successful in opposing any increased rates on second-class matter. At that time it was proposed to raise only about \$10,000,000 a year from this class of mail, and notwithstanding the fact that rates on third- and fourth-class matter, air mail, and all the special services were increased, effective January 1, 1949, no action was taken with reference to increasing the rates on second-class matter. Had the publishers shown a more cooperative and reasonable attitude and agreed to the moderate increase proposed they would not now be confronted with the need for a much greater increase at one step-up as a result of the great advance in the cost of operating the postal service due to causes beyond the control of the Department.

On July 8, 1942, the chairman of the Committee on Ways and Means in the House wrote to the Postmaster General, expressing concern about the postal deficit, and made particular reference to the postal rates situation. Among other things, he stated:

"This committee recognizes the magnitude and importance of the subject, but it also appreciates the fact that the question of bringing rates of postage in the second and third class of mail matters more closely in line with the cost of handling such mail has been the subject of considerable discussion for the past 30 or 35 years. Certainly you realize that it is not good business practice to permit these deficits to continue without some remedial action. In spite of past discussions, nothing has ever been done."

Each and every time that officials of the Post Office Department appear before the Appropriation Committees in the Congress the question of the postal deficit is discussed, and it has a great bearing upon arriving at a satisfactory conclusion concerning the amount of money to be appropriated for the conduct of the postal service.

In the report submitted by the chairman of the Subcommittee on Appropriations for the Treasury and Post Office Department appropriation bill for 1950, comment was made concerning the proposed increase in postal rates, and I quote from page 12 of that report:

"On February 21, 1949, the Postmaster General submitted to the House of Representatives detailed suggestions for additional increases in certain postal rates and services which have been incorporated in the provisions of H. R. 2945. This committee is most anxious that favorable action be taken by Congress on this subject, as it feels that the rates should be so adjusted that the postal service, especially for commercial users, will be conducted on a more nearly self-sustaining basis. It is estimated by the Postmaster General that approximately \$250,000,000 of additional revenue per annum shall result from the enactment of the recommendations

carried in the above-mentioned bill. This would result in a reduction of the postal deficit for 1950 from approximately \$403,000,000 to \$153,000,000 which is approximately the amount required to cover the cost of official penalty mail, franked mail, air-line subsidies and other costs not properly chargeable to the users of the postal service."

Second-class mail revenues pay less than 20 percent of the cost incurred by the postal service in handling this class of mail. The publishers still feel that the postal service should continue to handle this class of mail under the old act of March 3, 1879. Economic and social conditions prevailing during the early period, which provided a measure of justification for the establishment of low preferential rates to bring about greater dissemination of information of a public character, and other printed matter devoted to the public good, have, for the most part, been met, and the subsidies then provided are therefore no longer necessary to accomplish the ends sought.

The postal service performs a regular business service, to some extent competitive with other transportation media, for the publishing industry. This industry, now in the billion-dollar class, is well organized and no longer in the infant stage. It is in large measure a commercial undertaking conducted with profit motive. It functions as a private undertaking, and is no more a public benefactor than the grocer, the merchant, the hotel, or restaurant operator, the druggist, or any legitimate private businessman that renders an essential public service. These do not receive a Government preference.

The publishing industry pays market prices for all other items entering into its product—labor, paper, ink, private truck and freight services, miscellaneous materials and services—and seeks a return on its capital investment. It would appear only logical, therefore, that this industry should pay the Post Office Department substantially the cost of the service it performs with regard to the limited amounts of the total product presented for handling.

The trend, in the case of many publications, away from the serious reading content found in earlier publications to much matter designed to amuse or entertain, and particularly the present inclusion in many publications of a large volume of advertising matter, ranging to upward of 70 percent in some as compared with but very little presented for handling in the early days, calls for rates which return to the postal service substantially the cost of handling. I cannot believe that these additional burdens placed upon the postal service conform with the type of content which Congress apparently had in mind in the fourth condition of the act of 1879.

I previously stated that most business people, and that includes publishers, have consistently been opposed to governmental subsidies. It is therefore of particular interest to note the opposed increased rates which propose to take away from them a part of the generous subsidies that they have enjoyed for more than 100 years. Such subsidies are only justified in special situations when the need for a product or a special service is great, or when proper development or production cannot be achieved by private means. Second-class mail as a whole does not now qualify under these tests.

Such subsidies should be terminated after their purpose has been served; otherwise there is favoritism to certain groups at the expense of others. The organized publishing industry has long sought to retain the present subsidies, but it would be in far better position to exercise freedom of speech, to which it is entitled, if the subsidies now accorded it were terminated.

Much has been said in the past of the high place of the postal service in our eco-

nomie and social life, and the valuable service which it performs. Regardless of these statements an increase in rates such as is proposed is a practical present-day necessity. It would serve to place this service on a better business basis and spread the cost of operating the service among the various classes of mail so that each class could bear its proportionate share of the cost. It would help to further improve this service for the public, and at the same time would not interfere with the freedom of any legitimate publication to conduct its business as it chooses.

What the publishers know—but what most folks don't know—is that the present second-class rates are a survival of one of the early congressional acts made under conditions that have long since ceased to exist. Very few people outside of the publishing business know of the free mailing privileges within the county of publication. Few people realize that most publications can be mailed for a year to any address from coast to coast for less than the subscribers pay at home where the publishers make their own delivery. Those who do know this frequently ask: Is it so essential to the dissemination of news that publications be carried far and wide at taxpayers' expense? Should the taxpayers who make up this large deficit be required to do so whether or not they are readers of these publications? Suppose the readers do have to pay more for the publications—suppose advertisers do have to pay higher space rates—suppose the advertisers do pass the higher advertising cost on to the consumer? Would that be bad?

Each and every time there is any recommendation submitted for increasing rates on second-class mail matter, publishers repeatedly charge that the Post Office Department is old fashioned in its methods and that its cost ascertainment is inadequate. It is alleged that the cost ascertainment figures are unreliable, and that we allocate expenditures improperly, especially as it applies to rural and star route and delivery at third- and fourth-class post offices. They also charge that we fail to give credit for services performed by the publishers in routing, sacking, and in transporting the publications to trains.

The portion of the total cost of the rural delivery service for 1948 allocated to second-class mail is \$44,426,000. The total cost for this service was \$132,159,000. The expenditures for rural-delivery service allocated to second-class matter are based on the volume of such mail handled and the cost of the service actually performed.

The publishers emphasize the needs of the farmer and other rural people for daily newspapers, and are not content with the delivery available by mail, but in any cases set up their own carrier service. I am sure that publications make their profit largely from advertising and to get it must cover the area to which their advertisers look for trade. Around 30,000,000 people, or more than one-fifth of the entire population of the country, are served by rural routes, and they are large purchasers of all kinds of merchandise, equipment, and other articles. The argument that the rural-delivery service should be regarded as a subsidy to the farmer is unsound and inconsistent. It disregards the fact that the business of supplying the needs of the rural population constitutes a very large portion of the total for the whole Nation, amount to billions of dollars.

Obviously without the service rendered by the thousands of small post offices and rural and star routes the vast market made available to the manufacturers, dealers, and others through the media of these postal facilities would not exist, and what has become a billion-dollar trade would slow down to a mere trickle. It would be just as logical to say that the cost of carrying the mails from the point of origin to the small offices and

routes should not be charged against such mail as to contend that the cost of delivery thereof at such offices and on these routes is not a proper charge, but constitutes a service accorded on a subsidized basis as a matter of policy in the interest of the general public. In other words, why subsidize only part of the way?

The foregoing comment also answers the claims of publishers and users of third- and fourth-class mail, as well as the special services, that the salaries and other costs of maintaining the small third- and fourth-class post offices should not be charged against second-, third-, and fourth-class mail and the special services, but should be treated as a subsidized service to the rural population.

The fact is that the postal service is set up and operates to handle all classes of mail and services rendered. Since postal services other than first class and domestic air mail produce about 48 percent of the revenue, and constitute 94 percent of the weight, and 44 percent of the pieces of all mail, the fallacy of considering these services as "fill in" or "byproduct" services is apparent.

With respect to the argument that the cost ascertainment fails to credit publishers for services they perform in routing, sack-ing, and transporting their publications to other points, etc., this is plausible on its face, but is without merit. The handling and delivery of second-class matter on rural routes is burdensome and time consuming.

The volume is great—in many cases the only matter deposited in a rural box by the carrier is mail of the second, third, and fourth classes—and the allocated expense is that actually entailed in performing the job of delivering pieces of each particular class of mail. The law granting the second-class mailing privilege specifically requires publishers to prepare their mailings in such manner as may be directed by the Postmaster General in order to offset the cost of handling the matter. This is not a new requirement, but has been in effect for more than 50 years. The weighing of copies of publications at publishers' plants and the transportation of the copies by the publishers to other post offices, etc., is a procedure followed at the request of the publishers to assure early delivery and often for competitive reasons. The only saving to the post office is that of transportation, which is only a fraction of the over-all cost of effecting delivery of the individual pieces. The requirement that publishers sort and sack their publications by post offices and routes is one of the conditions incident to the publications enjoying second-class mailing privileges. If the publishers did not perform this service, they would be required to pay higher rates.

In criticizing the cost-ascertainment allocation of expense to the several classes of mail and special services, reference was made to the statement in the Hoover Commission Task Force Report on the Post Office: "At the present time the Department is not in a position to recommend to the Congress a full and proper charge for any of its services because it is not equipped to prove what reasonable costs these services should be." However, the critics ignore the further statement of the task force that "in the meantime, however, necessary revision of rates should not be postponed." Furthermore, they give no consideration to the statement of the task force: "The cost ascertainment has been in operation over 20 years and has been refined and improved many times, and has received the approval of several well-qualified and independent examiners."

The objections of individual publishers, as well as the representatives of the various publishing groups, to increasing the postage rates on newspapers, magazines, and other periodicals follow the same pattern which indicates a joining of forces and collaboration

to conduct an all-out, determined campaign to prevent any increase.

It is claimed the proposed rates are too high; that the additional postage required will exceed the profits of the publishers; that the increase cannot be passed on to subscribers or advertisers and would drive publications out of the mails, and in many cases ruin the publishers and put them out of business entirely. This argument is specious and ignores the fact that publishers have increased subscriptions and advertising rates to meet higher costs for all other items incident to the publishing business. It would appear some way can be worked out to meet the additional postage expense by spreading the increase among subscribers and advertisers; also by curtailing expenditures and adopting more efficient and economical methods in carrying on their business, as the publishers so insistently demand of the Post Office Department. It is known and generally admitted by publishers that they do not net a substantial return from subscriptions, but pay the major portion of the subscription price to agencies or otherwise use it to cover the cost of obtaining subscriptions.

Notwithstanding these facts, many publishers are currently soliciting long-term subscriptions at special prices in order, as is understood, to maintain the circulation which they guarantee to advertisers under an agreement to refund a portion of the payment for advertising space in the event the guaranteed circulation is not maintained.

Practically every witness opposing increases in the second-class postage rates has alleged that this is no time to raise such rates; that business generally is experiencing a decline and that advertising is falling off. As to the latter, it can be pointed out that the percentage of advertising appearing in most publications as reported in recent issues of various business periodicals devoted to the publishing industry has not decreased to any considerable extent as compared with the peak of a year or two ago. As a matter of fact, recent issues of some periodicals have carried a greater percentage of advertising than they did a year ago.

The fact that the recommended increases for this class of matter when expressed percentage-wise range from 200 to 600 percent or more is mentioned by most publishers. This sounds big, but when figured on the basis of postage per copy or increase per subscriber per year, the increase is not so great as to be impracticable to meet. It would amount from only a fraction of a cent to 2 cents per copy, or from less than 25 cents to not more than \$1 on an annual subscription basis, the average being around 50 cents, except for dailies, for which the additional postage would be greater because of their many issues—up to \$65 a year.

In view of all the facts and circumstances, the proposed rates are neither fantastic nor unreasonable when considered from the angle that even after the second raise the revenue from second-class mail would still fall short by over \$100,000,000 annually of covering the cost of handling this mail.

Publishers say that the elimination of all second-class mail would not reduce the over-all expense of operating postal service in like proportion—some claiming the saving would not even equal the loss of revenue. On this the question has been asked by many at the hearings, in letters from Members of Congress, and in the press: "How much would the postal deficit be if there was no second-class mail?"

This question has been carefully studied by the Director of Cost Ascertainment, and it is his opinion that the withdrawal of second-class matter from the mails would effect annual savings of more than \$95,000,000, not including the substantial savings in the rural, star route, and other services. The amount is considerably in excess of the

postage (approximately \$41,000,000) derived from such mail.

Great emphasis has been placed by publishers, as well as by other mail users, on the consequential results from the proposed rate increases, such as unemployment in the publishing industry and many others dependent on it; decreased need for paper, with like results in that field; reduced demand for commodities, services, etc., following withdrawal of advertising, etc. This view is believed to be much exaggerated. As some witnesses have admitted, ways would be found to meet the higher postal charges without the dire results predicted. Emphasis has also been laid on the educational value of newspapers and other publications, and their importance as a means of disseminating public information, promoting trade and industry, or increasing knowledge of literature, the sciences and arts. It is claimed higher postage rates on second-class matter would hamper the production and cut down circulation of publications, and so defeat the intent of the original law granting low rates and special privileges to this class of mail. Here again is exaggeration, and such fears may be discounted.

Publishers stress value of newspapers as disseminators of public information, unifying people of the Nation, educational character, promoters of trade and industry. All this is granted, but does not warrant continuance of nominal rate of postage in light of the great increase in cost of operating the postal service at such a tremendous deficit for which second-class matter is so largely responsible.

Many objections have been made to the definition of the term "advertising" as usual in the pending bill, particularly the proposed classification of so-called readers or write-ups as advertising. Publishers allege all kinds of dire results, censorship, interference with the freedom of the press, confusion, and a tremendous increase in personnel to determine what is advertising, etc. As a matter of fact, the provision in question is now embodied in paragraph 8 (a), section 541, Postal Laws and Regulations, except the last portion which relates to "merchandise write-ups" giving name of manufacturer, dealer or the source of supply, together with prices, in connection with which the publisher furnishes information obviously designed to enable the reader to obtain the items featured. The examples of the possible application of the provision given by publishers are absurd.

A number of witnesses have stated that they have no objection to it but only to the addition of the provision regarding "merchandise write-ups." Because of the constantly spreading practice of carrying such matter, which actually constitutes a most effective method of promoting the sale of merchandise, and the fact that some publications feature such matter to such extent in such manner as to simulate a catalog, it is felt that legislation on the subject is necessary. In its report on the survey of the Los Angeles post office the representatives of the General Accounting Office criticized the Department's liberal ruling on this type of matter.

There has been a Nation-wide campaign to prevent any increased rates on second-class mail. Some publishers have requested their subscribers to write to Members of Congress in an effort to influence them and prevent rate increase. I desire to call the committee's attention to a one-fourth page advertisement in a certain daily newspaper which is headed "Attention rural mail subscribers." This heading is followed by a statement which I quote in part:

"Pending legislation to raise second-class postal rates an estimated 300 percent will affect you. You now get the Evening Mirror for only \$6.50 a year by mail. However, if the Post Office Department increases its rates,

newspapers must increase their rates accordingly. That can make the paper cost you as much as \$20 a year. City subscribers and those who get the paper from agents would continue to get the paper at present rates, but our rural subscribers would be forced to absorb the huge rate increase. You can help us and help yourself. Write your Congressman to oppose the increased rates for newspapers."

This is an attempt to defeat any increase in rates regardless of facts, and a make-believe that the total cost for increased postage would be passed on to rural subscribers.

The campaign has included requests that all kinds of civic organizations write Members of Congress protesting increased rates. This is an unethical campaign and a desire on the part of those who instigated such a campaign to keep on enjoying a generous subsidy at the expense of the taxpayers.

Not all little newspapers oppose this increase. Many feel that there should be a sizable increase in postage rates for this class of mail. I quote from one country newspaper on this subject:

"The shedding of tears for the country press is brought about mostly by the fact that the increase will hit large newspapers and magazines and give them considerable of a jolt at that. Considerable space is taken up with the assertion that country weeklies will be forced to go out of business if the new rates are put into effect. The cost of getting the press to our hundreds of readers is such a small percentage of the cost of doing business that we are not going to tear the house down if the rates are raised. Any country newspaper that would be forced out of business by the addition of \$15 or \$20 to their quarterly mailing bill has little excuse for being in business in these times. In the matter of postal increases, let us admonish the large publishers 'Speak for yourselves, John.'"

I quote from another daily newspaper which is in the class referred to as small publications:

"The Postmaster General proposes to increase second-class postal rates \$125,000,000 a year. Such mail showed a deficit last year of \$163,000,000. Newspapers and magazines are mailed under the second-class privilege, and Mr. Donaldson can expect a barrage of rebuke from the metropolitan newspapers and magazines. Incidentally, he will get none from us. Just why should this class of mail enjoy a rate that costs the taxpayers a deficit of \$163,000,000 a year? Publishers pay a fair price for their paper, equipment, and labor, and there is no reason why they should sap the taxpayers for a subsidy. Subscription rates will advance accordingly, it is true; but in the end it will be equalized and the burden of the Post Office Department will be distributed where it belongs. This small newspaper will be paying more, of course. But if our mail can't be handled profitably at the current price, then it should pay more. Government should be operated on a business basis. Donaldson has the common sense to say so, no matter where the burden falls."

From another publisher of a small daily newspaper I quote from a copy of one edition of his publication:

"Newspapers are now being urged to protest the proposed increase in the postal-rate structure. As one of the recommendations of the Hoover Commission task force, a suggestion was made that the Postal Department be placed on a more businesslike basis, and eventually to become self-supporting. Early this week this newspaper received a bulletin from the legislative committee of the National Press Association, headquartered at the National Capital, prayerfully urging that its publisher get in touch with its Senator explaining what it (the increase in postal rates) will cost your publication. The attitude is typical, the expression of condemnation of pressure organizations who resent

interference with their privileges and paeans of praise of men like the former President Herbert Hoover, for the giving of his time and energy to realize long-needed economies in Government. They must surely realize that they are thereby becoming parties to making ineffective suggestions from one whom they applaud for trying to bring about stability and solvency in our Federal Government. The proposed increase is admittedly pretty drastic, yet in the end it might well prove a boon to the better-type newspapers and magazines whose publishers are now sounding such nervous alarms. Within the last month or so the press publishers received a score of cut-rate proposals from many of the nationally circulated magazines and weekly review publications. Evidently their business managers are not too fearful of the prospect of additional postal rates as they bear upon increased poundage."

The Post Office Department realizes the great amount of pressure coming from all quarters in an effort to prevent any increase of postal rates on second-class matter. It must be realized that even though the rates recommended are quite a step-up, there would still be a hundred-million-dollar subsidy on second-class mail even if the rates recommended by me were put into effect. The question of continuing this large subsidy is a policy to be fixed by the Congress, and if after completion of all of the hearings some policy is established by this committee which would provide for less increase in rates than recommended by me, I will be most happy to work with this committee in amending the proposed legislation to meet the policy established by the committee.

POSTAL AND POST CARDS

Government postal cards were authorized by Congress in 1872 at 1 cent each, at which time the deficit in the postal service was only \$4,749,000. The private-mailing post cards were authorized by Congress in 1898 at 1 cent each, at a time when the deficit was only \$9,000,000.

The Government Printing Office prints the postal cards and the cost per thousand in 1942 was 42 cents. The cost is now 70 cents per thousand.

The rate on postal and post cards was increased to 2 cents by the War Revenue Act of 1917, at a time when there was a surplus in the operation of the postal service of nearly \$10,000,000. The 1-cent rate was restored by the act of February 24, 1919, at a time when there was a surplus in the operation of the postal service of more than \$73,000,000. The rate on private-mailing cards only was increased by the act of February 28, 1925, effective April 15 of that year, at a time when the deficit in the postal service was nearly \$40,000,000. The rate on the private-mailing cards was restored to 1 cent by the act of May 29, 1928, at a time when the deficit for the postal service was \$32,000,000.

The increase in rates as mentioned was not brought about by any alarming deficit and there was good reason for restoring the rate to 1 cent. The situation is different now, and there was a loss of \$57,000,000 on these postal and post cards in the fiscal year 1948. The revenue is 1 cent on each, and the average cost is 2.59 cents each. Of the total number handled last year—3,601,000,000—over 90 percent were used by utility and other business concerns, a large proportion for advertising purposes.

There is no sound reason for continuing the 1-cent rate for postal and post cards. The same rate should apply to both postal and post cards and no hardship will be worked upon the few people who use the cards for social correspondence.

THIRD-CLASS MAIL

The number of pieces of third-class matter handled in the fiscal year 1948 was

8,188,000,000, and the average weight per piece was 1.08 ounces; while the average revenue was 1.37 cents per piece, and the average cost on the basis of increased salaries under Public Law 900 is 2.81 cents per piece. Of the total pieces handled, 4,826,000,000 were mailed in bulk at the minimum rate of 1 cent each, and a little more than 1,000,000,000 pieces were mailed at the bulk rates of 12 cents, or 8 cents a pound, making a total of 5,855,000,000 pieces handled at the bulk rates.

Third-class mail consists mainly of advertising matter, and the excess of the expenditures over the revenues for such mail, on the basis of both the higher salaries and the increased postage rates provided by Public Law 900, applied to the volume of third-class matter handled in 1948, amounts to \$101,000,000. This large discrepancy between the revenues and expenditures, even after including the additional postage at the rates effective January 1, 1949, calls for further readjustment of the rates on this class of mail.

Those who are opposed to these increased rates allege that the cost of handling bulk third-class matter is less than 1 cent per piece, which statement, of course, is not true. The statement that this class of mail generates more first-class mail is true, but there is no longer a profit on first-class mail, and therefore no point in generating additional volume on a class of mail which no longer produces revenue in excess of expenditures. It is now costing approximately 2.95 cents for first-class mail bearing 3-cent postage, and if there are additional costs for the transportation of mail by surface and by air there will be no profit at all in handling first-class mail. Claims made regarding savings on bulk mailings because of sorting and tying into directs to post offices and States by mailers are greatly exaggerated. Post offices are equipped and have trained personnel to do this work most economically. The claim made by those opposing increases that savings are effected by preparing this class of mail by the mailer, to save distribution in the post office, is nullified by their next statement to the effect that third-class mail is a "fill in," worked in slack periods and given deferred delivery. No matter when the mail is worked or delivered, the same effort and time and cost are required. Furthermore, a large portion of third-class matter has a time value, such as market prices and reports, announcements of sales, meetings, etc., on particular dates, which may not be delayed, and often results in preferred treatment.

Statements have also been made to the effect that the higher rates would bring about a large decrease in the volume of this class of mail, and some of the opponents have indicated that the decrease might be as much as 75 percent. Such opponents suggest that the Post Office Department go after more business, promote greater use of its services, and advertise itself out of its deficit by creating profitable or potentially profit-making use of its more than 50 postal services. This statement is made without apparent knowledge of the fact that the Post Office Department does not have sufficient quarters, space, equipment, and facilities to handle the great volume of this low-revenue-producing mail, and that the costs of its operations are so high that any additional volume of business in the low-revenue-producing classes would merely increase the deficit.

FOURTH-CLASS MAIL

I have previously stated that the law contemplates that this class of mail might pay its way. That was the intent of Congress when it established parcel post in 1913. The rates recommended by me are such as to produce sufficient revenue to meet the cost of handling this class of mail.

As you know, there is a case pending before the Interstate Commerce Commission in

which the railroads have asked for an 80-percent increase in transportation costs. The Interstate Commerce Commission has authorized a 25-percent interim increase pending final determination of the case. If this final determination results in further increased transportation costs, which will be retroactive, then the rates recommended in this proposed legislation will not be sufficient to produce revenue equal to the cost of handling parcel post.

SPECIAL SERVICES

The Hoover Commission, as well as the task force employed by that Commission to investigate the Post Office Department, recommended that all special services, which are adjuncts to the postal service, should pay their way. In other words, the fees to be charged for these special services should be sufficient to pay the cost of handling. I am, and I always have been, thoroughly in accord with that recommendation, and the rates recommended by me were such as to accomplish it.

As previously stated, I feel that it is my duty to report to the Congress on the financial conditions of the postal service. This I have tried to do on a factual basis and without any prejudice whatever. I feel that I cannot permit the charges of mismanagement and inefficiency on the part of the postal people to go unchallenged. We in the postal service are trying to render to the public the kind of postal service they have a right to expect, and at the least possible cost.

We are receptive to any suggestions that could eliminate waste and costs, and are constantly studying means by which this vast business can be handled more economically and more efficiently. There is nothing we can do about the increased cost through increased salaries and increased transportation rates, which make up 95 percent of our expenditures. To accomplish a saving of \$300,000,000 per annum, as has been so carelessly suggested by some, would result in reducing our personnel by more than 100,000 employees. This would be equivalent to the discontinuance of all postal service at New York City, Chicago, Philadelphia, and Boston, which offices produce approximately 20 percent of our revenues.

I have given much of my time to a study of this rate structure, and I am willing to be of any assistance to this committee in arriving at a satisfactory solution based upon a policy to be promulgated by this committee and the Congress.

It has been suggested that I sit down with the publishers and reach a compromise on second-class rates. In reading the testimony which has been given before this committee I note that some publishers state that they cannot stand any increases, others state that they could agree to a 5-percent increase, and still others have suggested a 10-percent increase in the rates. A 10-percent increase would increase the revenue by only about \$4,000,000, involving a \$200,000,000 subsidy, and I could not conscientiously agree to any such compromise. I will work with the committee along the lines of any policy that they may formulate on this rate question.

SELLING OF GOVERNMENT BONDS

Mr. LANGER. Mr. President, on Tuesday of this week, on page 8165 of the CONGRESSIONAL RECORD, I called the attention of the Senators to a circular which was sent to me by a lady who had been asked to volunteer in the selling of Government bonds. What I said upon that occasion was called to the attention of the assistant to the Secretary of the Treasury, Mr. Vernon Clark, and I know every Senator upon this floor will be happy to be informed as to just how it happens that these prizes—which I enumerated on Tuesday—are

given to volunteers according to the program, and how they are obtained.

As I said on Tuesday, a prize was offered to the person who sold the most bonds, the prize being a trip to Bermuda in an overseas British plane, with 1 week's stay at the Hilton Hotel at Bermuda. In addition, they gave other prizes, consisting of dresses, purses, and a great many other things.

The assistant to the Secretary of the Treasury, Mr. Clark, stated the arrangements are as follows:

We depend upon every town, city, and county to volunteer to sell these bonds. They pay their own expenses and any prizes that are given workers turning in an outstanding performance is a gift from friends of the program; namely, merchants and others who want to see the savings bond program extended because of the thrift it develops for our entire population. We have attempted to operate our division of the Treasury Department in as economical manner as possible. In proof of that our costs of selling bonds is now 60 cents per \$1,000 worth of bonds as compared to 81 cents during the war years when we had the help of the Army, Navy, and every other branch of the services behind us. We think that is rather remarkable in view of the fact we have been able to accomplish that by a reduction of personnel of approximately 75 percent and creating a well, efficient organization.

Here we have an instance, as the Senator from Virginia [Mr. BYRD] and I have said upon various occasions, of the effect of adoption of the Byrd-Langer amendment. The effect has been to reduce personnel in some of the departments. Here we find that as a result of that amendment the Treasury Department has reduced its personnel in one division 75 percent. I think that is a fine record on the part of the Treasury Department, cutting the number of employees in one division from something over 500 to about one-fourth of that number.

This clearly enlightening statement by the assistant to the Secretary of the Treasury is especially interesting to me, as I know it will be to many Senators because of the fact that the personnel has been reduced so much.

TELEPHONES FOR FARMS

Mr. LANGER. Mr. President, I now desire to take up another matter, if I may.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield for a question.

Mr. MAGNUSON. I have a very important matter that I want to present, and I wonder how long the Senator will take.

Mr. LANGER. I should say about an hour or possibly more. There is nothing more important than the matter I propose to bring up at this time, the matter of telephones for farmers all over the United States.

Mr. MAGNUSON. Mr. President, I may say to the Senator I did not question his estimate of the degree of importance which should be given to the matter he is about to present. I was merely wondering how long it would take.

Mr. LANGER. I should say roughly an hour.

Mr. MAGNUSON. I thank the Senator.

Mr. LANGER. Mr. President, in this morning's New York Times there appears a news item, reading as follows:

PHONES FOR FARMS ADVANCE IN HOUSE—RULES COMMITTEE VOTES TO LET BILL BE DEBATED—PRIVATE COMPANIES PROTEST

WASHINGTON, June 23.—A bill intended to put more telephones on the farms moved ahead a step in the House today when it cleared the Rules Committee. The House may act on it next week. Private telephone companies have opposed it.

The bill would authorize the Rural Electrification Administration to move into the telephone field. It would make loans to private companies or to cooperatives set up by rural residents to finance extension of telephone lines.

The Agriculture Committee approved it some time ago. The Rules Committee, which determines how and when most major bills will be handled on the House floor, voted today to let it come up and to limit debate to 3 hours.

LOS ANGELES, June 23.—The Nation's 6,700 independent telephone companies are doubly jeopardized by Federal taxation and Federal competition, it was asserted today by Charles F. Mason, president of the largest independent, the Associated Telephone Company of California. He spoke before the convention of the California Independent Telephone Association, of which he is president.

"The general public does not realize that the Government is actually making more profit out of the telephone business than the people who own it and try to run it," he said.

"For example, the Pacific Telephone and Telegraph Co. paid a combined tax bill last year of more than \$35,000,000, as compared with a net income of \$25,000,000. My own company had a tax bill of \$2,375,000 while its net income amounted to only \$1,560,000."

"An even more serious threat existed," he said, "in the bill before Congress to finance rural telephone service through the Rural Electrification Administration. This project, in using taxpayers' money to underwrite subnormal interest rates and in exempting benefited companies from normal local, State, and Federal taxes and from Public Service Commission control, would amount to limited State socialism rather than free enterprise or even regulated private enterprise," Mr. Mason declared. "The real intent of the bill," he said, "was to perpetuate the REA which had nearly finished its job."

Mr. President, as one of the authors of one of the bills considered by the Senate Committee on Agriculture and Forestry, I want to say that this gentleman, Mr. Mason, simply does not know what he is talking about. He may be the president of a great telephone company, but he does not know the spirit that actuated the Senators who introduced these various bills. The Senators who were interested in these bills were the Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alabama [Mr. HILL], the Senator from Iowa [Mr. GILLETTE], the Senator from Oklahoma [Mr. KERR], the Senator from Florida [Mr. PEPPER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Texas [Mr. JOHNSON], the Senator from Vermont [Mr. AIKEN], the Senator from North Dakota [Mr. YOUNG], my distinguished colleague, and myself.

It is interesting to note exactly what the situation of the farmers is so far

as telephone service is concerned. I do not know of any better place to get the information than from the testimony of the distinguished Senator from Alabama [Mr. HILL], one of the Senators who, with the distinguished Senator from Georgia [Mr. RUSSELL], helped to put over the REA program in the United States.

This man Mason, Mr. President, says that the REA program is nearly over, when, as a matter of fact, the truth is that only half the farmers in the entire United States have light and power upon their farms. Of course that does not worry Mr. Mason. In Japan 95 farmers out of every 100 have had rural electrification for a long time. In Germany more than 96 percent of the farms had rural electrification before the war started. In Sweden, Denmark, and Finland the number of farms with rural electrification was nearly 100 percent, while in the United States less than 51 percent of the farms have rural electrification at the present time. Yet Mr. Mason says, according to the dispatch in the New York Times this morning, that we are interested in getting REA to take charge of having rural telephones because REA has nearly completed its job. If his other statements are no more true than that statement, I do not have very much respect for the veracity of Mr. Mason.

The Senator from Alabama [Mr. HILL], when he testified before the committee, went into the matter very carefully. He said:

The facts on the need for rural telephone service speak for themselves. There were actually more telephones on the farms of America in 1920—

Thirty years ago, Mr. President, there were more telephones on the farms—

than there are today, although we have made remarkable progress in every other phase of mechanization and electrification on American farms.

I should like to have this man Mason and some of the rest of the fat boys who are opposed to a farmer having a telephone when he is living 25 or 30 miles out in the country, and who has children and can communicate with doctors only by telephone—I should like to have one of those fellows stay out there when illness strikes the family.

The Senator from Alabama continued:

We call business people, lawyers, doctors, and folks living in our cities, but we cannot reach our farmers. Just as we cannot reach them, they, in turn, cannot reach anybody themselves, no matter how urgent the need may be for them to reach the doctors or some businessman or merchants or suppliers.

In 1920 nearly 2,500,000 farms had telephones. By 1940 this number had dropped to only 1,500,000.

A loss of a million, Mr. President. A million less individual farm homes had telephones in 1940.

Despite a slow increase, in 1945 more than 4,000,000 of America's 6,000,000 farms still had no telephones.

Only one out of three farms, on an average, in the United States has a telephone.

The Senator from North Dakota spoke of the situation in his State. If possible, I may say the situation is even more acute down in my section, in the South where the

number of farms with telephones dropped more than 50 percent between 1920 and 1940. We went through the depression and, of course, the way these telephone systems have to be financed and have had to be financed, why, I imagine many of them could not survive, and did not survive, and many other factors entered into it, which factors I will come to as I go along in this statement. In my own State of Alabama, I say to the Senator from North Dakota [Mr. YOUNG], the 1940 census showed only 8,254 farms, 3.6 percent of all the farms in the State—

Three and six-tenths percent, less than 4 farms out of 100—

had telephones, 316 farmers out of 8,254. Many of those were inadequate.

Those they did have were not even in good running condition, according to the Senator from Alabama.

I read further from the testimony of the Senator from Alabama, as follows:

By 1945 some 11,000 Alabama farms—still only 5 percent—had obtained telephones. An increase from 3.6 percent to 5 percent over a 5-year period is progress by inches where we have miles to travel.

At the same time the farmers have shown that they wanted and were able to pay for the benefits of modern living. Approximately two out of three farms have radios and automobiles. Seven out of ten farms have electricity, which means they also have refrigerators, stoves, washing machines, and milking machines. The most recent survey, just completed by the Bureau of Agricultural Economics in the Department of Agriculture, reports as of July 1, 1948, only 37 percent of the farms have telephones and shows no appreciable increase over 1947.

If our farmers are to have telephones, the small, independent telephone companies which serve them must have long-term financing at low rates of interest.

Statements by the independent telephone companies themselves demonstrate the urgent need for this low interest financing.

In a pamphlet entitled "The Farm Telephone Story," issued by the Independent Telephone Institute, its spokesman, Mr. E. C. Blomeyer, in commenting on my original rural telephone bill, introduced by me in 1944, stated, and I quote:

"The vital question is that of how the small independent companies are going to get the money with which to do their part of the job if this legislation is not enacted."

Mr. Blomeyer has recently informed me that conditions are still the same and that enactment of Senate 1254 is the only effective answer to the problem.

The need was further demonstrated by the findings in 1945 of a finance task group of the rural telephone service committee of the United States Independent Telephone Association, studying the credit needs of small telephone companies. The task force report opens with this significant statement:

"The problem of financing for the small telephone company to provide funds necessary for plant replacement and improved equipment is one of major importance in the independent industry."

This bill before us, Senators, Senate 1254, is simple, direct, and straightforward in its steps to meet this need. Briefly, this is what it provides: Senate 1254 would authorize the Rural Electrification Administration to make loans for the extension and improvement of rural telephone service. These loans may be made for a period of not more than 35 years, at an interest rate of 2 percent per annum. The loans are required to be self-liquidating within the time agreed upon and may be used for the financing or refinancing of expansion and improvement of existing facilities.

The opportunity the legislation offers for the refinancing of existing loans is of primary importance to those systems which have outstanding debt, in some cases carrying burdensome rates of interest and amortization schedules which are beyond the system's capacity to meet, and which prevent any modernization of service. The loan terms would be a lifesaver to the many systems which have unsuccessfully been seeking to float new issues with which to extend and improve their rural lines.

Mr. President, I ask that the remainder of the statement by the Senator from Alabama be printed at this point in my remarks.

The PRESIDING OFFICER (Mr. YOUNG in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

On February 14 I appeared before a subcommittee of the House Committee on Agriculture to support a similar bill which I am glad to say has been reported by the House committee as now on the House calendar. In the testimony presented by witnesses before the committee on that date were two recent instances where independent telephone systems operating in my own State had been granted authority by the Public Service Commission to borrow modest sums for the purpose of purchasing new equipment and expanding their plants to serve new subscribers. These companies offered 5 percent interest in one instance and 4½ percent in the other, but have been unable to borrow this money from private sources even at those rates. I have learned of many similar instances, all of which indicate that private financing is not available, and that there is an urgent need for a program of Government credit in this field.

Support of Senate 1254 has come straight from the grass roots—from farm and rural people who look to this legislation as a means of obtaining at last the telephone service they need and have so long desired.

Support of S. 1254 has come from small independent and mutual systems who see in this type of legislation their only hope of being able to modernize and improve their facilities and continue successfully in the telephone business.

I want to read two or three excerpts from letters from some of these independent companies.

I have here a letter from a man in Minnesota who has recently gone broke in the independent telephone business and now lives in a trailer camp, Senator. He worked for years with the Bell system and with one of the largest independents and served in the Army Signal Corps during the past war. He says in his letter:

"The composite picture is one in which the Bell system and the big independents have combined to oppose a feasible plan for solving an industry problem, for obviously selfish reasons. They have contributed little or nothing toward solving the problem and their operations would be affected very little, if any, by your proposal. * * *

Senator YOUNG. In fact, Senator, their tolls would be greatly increased.

Senator HILL. Well, Senator, I do not want to get too far off, but I have been here for some time in Congress, and all this takes me back, as Senator THOMAS will recall, to the fight that the private power companies made on REA.

Senator AIKEN. Why do you use the past tense on that? [Laughter.]

Senator HILL. I accept the Senator's amendment. And, of course, the REA has in no way been harmful to the private power companies; it has just afforded a larger and

a better market for the private power companies to sell their commodity, which is electricity.

"They have no legal or moral right to prevent passage of this legislation and they must not be permitted to do so."

A company in North Carolina says, and I would be glad to bring this letter to you:

"We surely hope you will be able to get your rural telephone bill passed by this Congress so that the small telephone companies would be able to borrow money from the Government at a low rate of interest to build farmer lines so we could give the farmers the much needed telephone service. It seems to us that it is just as important for the Government to help the farm telephone business as it is the farm power business. There is a great demand at the present time for farm telephones and the small telephone companies with the low rates do not have the money for the country expansion."

An independent in Alabama, strongly supporting the bill and offering to come to Washington and appear before the committee, writes:

"As far as the need for financing in our industry, it is certainly grave. I find that most of all our telephone men in neighboring companies, and about over the State are able and competent telephone men, ambitious to serve their territory with adequate telephone service, but financing has virtually made it impossible in our dreams, plans, or hopes."

In a letter from a large Midwest independent, the president of the company states:

"We desire to congratulate you on your constructive efforts and extend the hope that this very fine bill will be enacted at an early date."

"In this world of ours it seems that negative thinking is cumulative even when constructive purposes are clearly evidenced. Notwithstanding all that has been said opposing the rural telephone bill which you are sponsoring, I desire to go on record as positively favoring the bill."

"The writer represents approximately 66 thousand telephones in 7 States, including the South and Middle West, where present costs permit only selective extensions of rural service unless long-time money is available at a low rate. Therefore, to do a good job, it is essential that we secure assistance which cannot be classified as a Federal 'hand-out.' The provision which makes loans available to independents and others for a 35-year period at 2 percent interest adequately meets the need."

The president of another large independent operating in Kansas and Missouri, who is a member of the board of directors of the Independent Telephone Association and vigorously supports the legislation, makes this observation:

"While the problem of the syndicated companies is not so serious, particularly in the more densely settled sections, most assuredly the small individually owned exchange is in a distressed situation insofar as rehabilitation of its existing equipment, and in an almost hopeless position as to its ability to extend into unreserved rural areas contiguous to existing exchanges in sparsely settled areas."

In conclusion this same writer states:

"In the absence of the insurance companies or bankers being willing to step in with a blanket form of mortgage in order to spread their risk and to lend capital to the small companies at interest rates and length of amortization of debt, similar to your proposed legislation, the alternative is for the Federal Government to do so. Thus far the bills in Congress offer the only glimmer of hope in this distressed situation."

Opposition to Senate 1254 is coming from two sources—from the Bell telephone monopoly and from some who claim to speak for the small independent companies.

I can understand the opposition of the Bell monopoly. A report by the Federal

Communications Commission made pursuant to Public Resolution No. 8 of the Seventy-fourth Congress had this to say of the Bell system, and I quote from the report of the Federal Communications Commissioner:

"The Bell system has consistently pursued the policy of obtaining control of a Nation-wide unified telephone system. Since its inception the watchword has been 'one system, one policy, universal service.' In achieving its present dominant position, the Bell system has been successful in the elimination of effective competition. There is today no competition, worthy of the name from the Nation-wide standpoint, with the unified Bell system."

The effect of Bell's monopolistic control, not only in the field of communications but also over the manufacture of telephone equipment, was cited—and that is a very important thing. I have not the time to go into it here, but this thing of how you can get your equipment, and how much you have to pay for that equipment, and the control of those who manufacture and sell that equipment is a very important issue.

I am very much in hopes that this committee will report this bill fairly with this Congress, and I urge that. But if for any reason this committee finds it just cannot report, or if we do not pass this bill in this session of Congress, I hope that when the Congress will recess this committee will make it its business—either this committee or a subcommittee of this committee—to investigate and to go into this whole question, not only in the control of the distribution but in the control of the equipment—who manufactures, who owns these manufacturers, how these manufacturers and these distributing agencies and salespeople—and find out what is the control, if any, over them.

The effect of Bell's monopolistic control, not only in the field of communications but also over the manufacture of telephone equipment, was cited in the complaint recently filed by the Justice Department against the American Telephone and Telegraph Co. (Bell) and its subsidiary, Western Electric Co. I quote from page 64 of that complaint:

"By combining under single ownership"—now, notice these words, gentlemen, here is the complaint of the Department of Justice—the control of development, manufacturing and distribution of, as well as complete control of virtually the entire market for, telephone equipment used in the United States, the defendants have fixed the types, quantities, and prices of telephone purchases and sales, and have controlled the plant investments and operating expenses on the basis of which Federal and State regulatory authorities must fix rates to be charged subscribers for both local and long-distance telephone service."

Now, this is one of the answers to your question in the beginning, Senator, that I knew I would come to.

Senator GILLETTE. Senator HILL, are you quoting from a complaint filed by the Department of Justice?

Senator HILL. By the Department of Justice, that is correct.

I would be delighted to furnish for the record the full complaint. I have just taken this quote from page 64.

The CHAIRMAN. Without objection the complete report in the nature of a complaint will be placed in the record at this time in connection with Senator HILL's testimony.

Senator HILL. I would like to have it at the end of my testimony. It is somewhat lengthy.

The CHAIRMAN. It will be placed at the end of your testimony then.

Senator HILL. "The absence of effective competition has tended to defeat effective public regulation of rates charged subscribers for telephone service since the higher the

prices charged by Western for telephone apparatus and equipment the higher the plan investment on which the operating companies are entitled to earn a reasonable return."

In other words, this question of what the equipment costs goes right to the heart of the question of what the rates are, and, of course, the question of the rate determines so largely the matter as to whether or not you can go into these rural areas.

It goes back to that thing of the power people. I remember they testified on the House Committee of Military Affairs, of which I was then a member, that we could not do this to any farm without going into bankruptcy. Well, the REA has not gone into bankruptcy, as the Senator from Vermont so well knows.

"The noncompetitive prices of Western's manufactured products have the dual effect—and I am talking about manufactured products now; that goes right to the heart of this thing—of increasing manufacturing profits and of raising telephone operating profits by inflating the rate bases of the Bell operating companies. Both increases accrue to the benefit of A. T. & T. The difference between the apparent and the real costs of telephone service represents hidden profits which are beyond the reach of public regulation. The defendants' triple monopoly of development, manufacture, and sales market of telephones, telephone apparatus and equipment has been so used as to delay and retard the introduction of improvements in the art of telephony which would have made telephone service more efficient and less costly to the subscribers." That is, rural subscribers as well as city subscribers.

That is the end of the quote of the Department of Justice complaint.

Monopolistic arrangements such as those described above have kept the cost of telephone service out of the reach of many farm families. Even so, the industry is now engaged in boosting its rates still further. In a recent article in *Business Week* it was pointed out that substantial rate increases were won by many of the system's operating subsidiaries during 1947 and, at this time, applications for additional rate increases—some representing second- and even third-round requests—are pending in 29 States.

I am puzzled as to how the United States Independent Telephone Association, the same organization which in 1945 pointed to the problem of financing the small telephone companies as one of crucial importance, can justify to its membership the present opposition to Senate 1254. Perhaps the answer lies in the domination of this association by a small group of large so-called independent companies which in turn apparently are dominated by the Bell system. The testimony these witnesses submitted before the House Committee on Agriculture in February when the committee considered a similar measure is completely contradictory to the views expressed to me in the letters which I have read to you and the many other letters which I have received from operators of small independent telephone companies throughout the country.

Senator AIKEN. Your earlier statement would indicate that the small companies are probably dependent upon the big company for their equipment.

Senator HILL. Yes. If it is not dependent upon the big telephone company, it is dependent upon these people who manufacture and sell the equipment that they must have.

Senator AIKEN. The manufacturing plant which is controlled by the big operation company.

Senator HILL. That is right.

These letters indicate that the telephone lobby here in Washington does not speak for the independent companies which strongly support this legislation intended to help them. This lobby, which is carrying on

a widespread propaganda campaign against this legislation, apparently reflects only the views of the large interests which dominate the telephone industry.

I can only conclude that "the voice is Jacob's voice, but the hands are the hands of Esau."

What are the charges against Senate 1254? They are the cries of "socialism" and "Federal control" and "costly subsidies" which through the years have always been the alarms of reaction against progress.

Let us compare the propaganda and the facts:

First, the bill provides no subsidies that will cost the taxpayers. Instead it establishes a self-liquidating loan program and expressly requires that all loans be repaid with interest. REA's impressive 14-year history of success in rural electrification financing completely refutes any such claim.

Second, the bill will not put any small telephone company out of business. On the contrary, the bill would give a new lease on life to the thousands of small companies, both profit and nonprofit, which otherwise face extinction or involuntary absorption by other companies. By providing credit where credit is not otherwise available, the bill will make it possible for small independent telephone companies to stay in business and operate profitably by rebuilding their systems, improving their service, and refinancing their obligations on a long-term basis.

The bill provides that funds shall be made available on identical terms to private companies, public agencies, and cooperatives.

Third, opponents of the bill have made the claim that Federal financing is a "disguise for social planning and Government interference."

There are many examples to demonstrate that Federal financing does not lead to Federal control. Banks, railroads, utilities, and hundreds of other businesses have borrowed billions of dollars from the Federal Government without losing their independence or becoming "socialized."

In fact, gentlemen, it has always intrigued me that of the agencies that we set up to fight the depression, the one that has continued was the one we set up to help business, which is the RFC. The NRA, WPA, and NYA have long since passed out of existence, but the agency which was to help business, make these loans to business—big business, your railroads and your big utilities and your banks and people like that—as we know, it continues today.

Senator AIKEN. You agree, Senator, that the record of the RFC is not quite as good as the REA as a business?

Senator HILL. I think the REA record is a better business record.

The CHAIRMAN. Does that complete your statement, Senator Hill?

Senator HILL. No; I will be through in just a moment.

The opponents of the bill have sought to create fear in the minds of the operators of small independent and mutual companies—the fear that if this legislation is enacted the Federal Government or REA cooperatives would take over or supplant these small companies.

There is nothing in the bill which would permit the Federal Government or REA cooperatives to take over or supplant telephone companies now giving adequate rural service. Under the bill, REA would have only the power to lend money and to furnish technical assistance where it is wanted and needed. The independent companies will continue to have the full protection of their State utility commissions and regulatory bodies.

You cannot go into any State in this Union that I know of and set up a telephone company without first going to your State utility commission or regulatory body and getting a certificate of convenience and necessity.

The final determination of whether additional telephone service is needed in a particular area is left in the hands of the State authorities. The bill expressly required that a Federal loan can be made only after a certificate of convenience and necessity authorizing the new telephone system has been issued by the State body having authority to regulate telephone service.

The language in the bill which authorizes loans to public bodies and gives such bodies the same preference as existing companies and mutuals was not intended to place either the Federal, State or local governments in the telephone business. In several States, rural-electrification enterprises are organized, under applicable State laws, as power or utility districts which are established by statute as "public bodies." It is unlikely that public bodies, including the power districts, anywhere in the 48 States today have statutory authority to engage in rural telephone service. They may never be authorized to enter this field, for that is a matter entirely within the control of the legislatures of the several States.

Fourth, there has been much talk about the need for an amendment to the bill to prevent duplication of telephone facilities. I have seen the so-called "antiduplication" amendment proposed by the opponents of Senate 1254 and I am satisfied that its adoption would scuttle the program envisaged by this bill.

The proposed amendment would perpetuate the inadequate service now given hundreds of thousands of farmers and it would prevent others—on the 4,000,000 farms which still have no telephones—from getting adequate service.

The provisions of Senate 1254—and as I have said—and the continuing authority of the State regulatory bodies do not permit duplication in those areas where adequate reliable service is being furnished to the farmers who want it. Furthermore, we know that Congress will never appropriate funds for the REA to go into the business of duplication.

Those who continually talk about the need for the amendment are not worried about duplication in terms of facilities which would be built to serve farm people already receiving service; their interest lies in preserving a monopoly in all the rural areas of the United States. This is the same "dog-in-the-manger" attitude taken by the commercial power companies when the rural-electrification program was first established. These companies regarded rural America as their own green pastures to be electrified when and how they saw fit. Since creation of REA, rural electrification has been carried forward without any duplication of the facilities to serve farm people.

As I have suggested the State legislatures and the State regulatory bodies can certainly be relied upon for protection against unfair or uneconomical duplication of electric facilities. They can be relied upon to give the same protection in the field of rural telephone service.

When we do the job we need to do in bringing telephone service to rural people, we put wages into the pockets of workers and money into the cash registers of merchants, manufacturers, and businessmen in every State in the Union.

The expanded rural telephone program provided under Senate 1254 would create 70,000,000 new permanent jobs in private industry.

Senator ANDERSON. How many? Seventy million when there are only fifty-eight million working now?

Senator HILL. Well, every little bit adds just that much more. [Laughter.]

Senator AIKEN. That is quite a lot.

Senator HOLLAND. You mean seventy thousand.

Senator HILL. I beg your pardon. I did not mean seventy million. The figures show exact—seventy thousand.

I will say to the secretary that the chairman here rather suggested that my time had come to a close, and I was reading perhaps too rapidly. It was seventy thousand, I will say to the secretary.

Seventy thousand new permanent jobs in private industry paying \$200,000,000 a year in wages, on the basis of available figures on the Nation's telephone industry.

Most States would find, in this expanding industry, a market for one or more of the materials utilized in telephone installation. For example, let us trace the material supply for the installation of a telephone at a farm home in Nebraska. Pine poles might come from Texas, Alabama, Mississippi, or Oklahoma, cedar poles from the Pacific Northwest—

Senator THYE. If I may interrupt you, might we get a few down from Minnesota?

Senator HILL. Well, you might, but I am coming to you next.

Steel from iron mined in Minnesota—

Senator GILLETTE. How do you spell steel?

Senator HILL. S-t-e-e-l. [Laughter.]

Copper from Montana and Arizona, cotton from Georgia and California, synthetic rubber from Oklahoma and Texas, plastics from coal mined in Colorado, glass and ceramics from New York and Tennessee, and electronic devices from almost every State. Expansion in the rural telephone field would create a great, new mass market and would represent a fine opportunity for many smaller manufacturers of telephone materials who now have little opportunity to compete in the commercial field.

The facts I have just outlined point clearly to the conclusion that advantages from a rural telephone program would benefit the entire economy, and promote the welfare of the worker and the farmer and the small business man. The possible benefits do not end there. The general public would likely find itself paying less for telephone service as the new program expanded. The potentialities of a cost yardstick seem as great in the telephone field as it was in the field of rural electrification back in 1935.

As we go forward with this program for adequate rural telephone service, the small independent telephone systems of America will be able to operate on a sound and healthy basis—the farm families of America will get their telephones and share in fuller measure the benefits of our Nation.

This bill, Senate 1254, will do for the farmers in the communication field what the Rural Electrification Act has done in the field of electric service. The enactment of the Rural Electrification Act identified the Seventy-fourth Congress as the "rural electrification Congress" to the millions of farm families who had for generations lived and worked by the kerosene lamp and carried the burden and drudgery of tasks which today are performed by a flick of the switch. Just so will enactment of this bill identify the Eighty-first Congress as the "rural telephone Congress" to millions of farm families.

Mr. Chairman, I want to thank you and the members of this committee for your very kind and patient hearing.

The CHAIRMAN. Are there any questions submitted to Senator HILL?

Senator ANDERSON. I would be interested to know if this 2-percent rate for 35 years is available for each privately owned small telephone company.

Senator HILL. That is right.

Senator ANDERSON. Can any other businessman go in and get it for 2 percent?

Senator HILL. We are doing that, as you know, for the REA.

Senator ANDERSON. Well, that is a different situation entirely. This is a small businessman that owns a small corporation.

Senator HILL. That is correct.

Senator ANDERSON. You spoke of one of them who has 66,000 telephones.

Senator HILL. Yes.

Senator ANDERSON. That is a pretty good-sized firm.

Senator HILL. Yes.

Senator ANDERSON. Can he go in and refinance his obligation at 2 percent?

Senator HILL. I would say he would be eligible. He would have to meet certain requirements by the REA, but he would certainly be eligible to file his application.

Senator ANDERSON. Why should this man get a subsidy from the Government?

Senator HILL. He gets it on the basis of getting telephones to the rural farmers.

Senator ANDERSON. When he can refinance what he has already put up? There might be a question to that.

Senator HILL. In other words, the REA might pass on his application as to what he may need as a going, modern concern to serve these rural areas.

Senator AIKEN. Would not he have to be passed on by the State regulatory bodies?

Senator HILL. He would certainly have to go before a State regulatory body.

Senator ANDERSON. Cutting his interest rate from 5 to 2 percent—I just do not understand why you would take a private company—

Senator HILL. A State regulatory body would fix the rates at which he could sell his telephone service.

Senator ANDERSON. I do not know of any other plan involving 35 years at 2-percent interest.

Senator HILL. This is a question we went into with the REA to get electricity.

Senator ANDERSON. Did the REA Act permit small independent companies to come in and borrow at 2 percent?

Senator HILL. We permitted cooperatives.

Senator ANDERSON. But that is an entirely different thing. I am wondering why you are going back to refinancing the small companies that are independently owned.

Senator HILL. We are going back to the refinancing of them so we can get telephones to the farmers.

So far as the legislature was concerned, all they needed was the loans to build the lines to get to the farm homes. They did not need, except in certain exceptional cases of which we, of course, are familiar, to set up the generating facilities to build dams or other generating facilities.

Senator ANDERSON. Well, I am quite well satisfied with the idea of extending rural telephone lines when it is done through a co-op or any other activity of REA that requires their own loans but I have some difficulty—

Senator HILL. Of course, you might work it this way, Senator. You might just make these loans to some cooperatives, but the more direct way is to deal with some local company.

Senator ANDERSON. Yes, but I think you are stepping off into another new field.

Senator HILL. Well, you might make the loans in such a way as to extend their lines in some indirect way, but this is certainly the direct way to do it.

Senator ANDERSON. But how would they differentiate? If American Telephone & Telegraph came in and said: "We would like to refinance all our obligations at 2 percent."

Senator HILL. Well, I do not think there would be any finding by the REA that they needed any financing. I do not think they would need any Government financing.

Senator ANDERSON. Do they have to so find?

Senator HILL. I would say they would.

Senator GILLETTE. Page 4 provides the determination by the Administrator of the need.

Senator ANDERSON. In your refinancing section I did not see anything on that. Section 4 on page 2 gives them the power of refinancing.

Senator HILL. Page 4, line 6, says: "when it is determined by the Administrator * * *." In other words, he has to make a determination of the necessity to furnish telephone service in rural areas—such loans made, et cetera.

The CHAIRMAN. Are there any further questions to be submitted to Senator Hill?

Senator HOLLAND. I understood him to say in his statement that the independent telephone operators association opposed this bill.

Senator HILL. I said I referred to one particular association that opposed it before the House committee.

Senator HOLLAND. That is the organization of independent telephone companies?

Senator HILL. I do not know that that is true. It is supposed to have been independent companies. Now, how much the companies dominate that association and are tied in with Bell—with these people that are controlled by the Bell—I do not know.

Senator AIKEN. You are not sure, in other words, whether the opposition comes from the heart or is of a more formal nature?

Senator HILL. That is right. The Senator is exactly right.

Senator HOLLAND. My next question would be this: Do you have any list of small independent companies who have protested against that position taken by the association?

Senator HILL. I have a number of letters, some of which I read into the record, others I would be glad to supply for the record, from independent members, who are members of the association, who protested that position taken by that particular association.

Senator HOLLAND. You have the names of those?

Senator HILL. Oh, absolutely.

Senator HOLLAND. Do you have a list of the companies from whom you have heard who desire to protest against the stand taken by the independent association, and who support the passage of the bill?

Senator HILL. I have these letters. I do not know that I have made a list of them, but I have the letters which I would be glad to supply.

The CHAIRMAN. Senator ANDERSON.

Senator ANDERSON. I hate to go back, Mr. Chairman, but I have this particular case in mind of a small company trying to get me to find him some way of getting help. I referred him to the RFC, the El Paso area. He has gone to them and been unable to get any help, and I finally had to end up helping him myself in order to keep him alive.

Now it is being turned over to the Director of the REA, who may pass on the adequacy of the case. It is a wholly new function of REA, as I see it, and I cannot help but feel that we are getting quite a ways from rural telephones when you start in rehabilitating private companies.

Senator HILL. When you go into REA to get this telephone service into these rural areas, or to serve rural areas?

Senator YOUNG. Suppose an independent concern, a city-wide service, were to apply, would they be eligible?

Senator HILL. I would say not for the city-wide service. I want to be perfectly frank; it might be that this might be strengthening this company.

Senator ANDERSON. It has done precisely that thing. I think we should take into consideration these small-city operations in refinancing.

Senator HILL. You undoubtedly would have some in certain cases.

Senator AIKEN. But the small city or large town would have to be in a rural area.

Senator HILL. That is right. And the object of the whole thing would be to service these unserved rural areas.

Senator AIKEN. I think we may well give consideration to the right of independents that Senator ANDERSON points out. In all

our recent legislation I think we have written into the bills that money should be furnished at not less than cost to the Treasury, which, a short time ago, was slightly over 2 percent, the idea being that the Government is not to lose money even when it furnishes services and perhaps makes free administrative costs.

Senator ANDERSON. But here you have a small telephone company, privately owned, and this man says he thinks 2 percent for 35 years is right because it could not be classified as a hand-out; it could not be classified as anything else.

Senator HILL. It could not be classified as a hand-out if it is getting this service to this rural area, any more than getting electricity to the farm homes might be classified as a hand-out.

The CHAIRMAN. Senator, we thank you.

Senator GILLETTE.

Senator GILLETTE. I want to add right there on page four, the concluding sentence in the first paragraph, bears out just what Senator HILL has stated. "Loans under this section shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed."

Senator ANDERSON. I do not see where they mention building for rural areas. This is only a banking function.

Senator HILL. But right above that it does say, "when it is determined by the Administrator." He has to make a determination of what will be necessary in order to furnish or improve telephone service in rural areas—in rural areas. That is the only basis on which he can make a loan, when it is necessary to furnish telephones in rural areas.

Senator THYE. Could it not be interpreted, Senator, in a case where you have a city of 14,000 telephones in existence and serving the city, and where they have lines that extend out on this highway and that highway, but where they have few highways where there is no service. Under this act, however, they could refinance their entire service of 14,000 and go out and include a few of these highways.

Senator HILL. I cannot conceive, Senator, that REA would allow that, and I cannot conceive that the Congress of the United States would let them do that.

As you know, they come before Congress every year. They come before the House Committee on Appropriations; they come before the Senate Committee on Appropriations, and I do not suppose there is a year when they have not come before Congress.

Senator AIKEN. Is it not true, Senator, that it will be a long time to come before any available funds would be required in those areas that have no telephone service at all at the present time?

Senator HILL. That is right.

Senator AIKEN. I would expect the Administrator would certainly give preference to those areas that have no service.

Senator HILL. That is the whole spirit and intent of the bill, to take care of those areas.

Senator YOUNG. What is the interest rate provision in the REA Act?

Senator HILL. Two percent.

Senator YOUNG. Two percent straight through?

Senator HILL. That is 2 percent; that is right.

Mr. WICKARD. The interest charge to the borrower is 2 percent.

Senator HOLLAND. As the witness knows, I am sure of the fact that the REA's appropriations have not been nearly adequate to meet all the requests for the electrification of rural areas and for furnishing power to rural home areas of his State, and I assume States generally throughout the Nation.

What does the witness think about the probability of this program, if it were adopted?

ed, curtailing the amount of funds which would be made available for REA?

Senator HILL. I did not think it would interfere there. I think the delay we have had in the extension has been really due more in the past to lack of material than homes.

Senator AIKEN. It seems to me that one of the big advantages of making loans for telephone services would be this: Where an REA line is constructed that the same system could be used for furnishing telephone service, thereby dividing the costs between the telephone service and making it possible to reduce the electric service cost, and at the same time give telephone service for less than the cost would be if a separate line were constructed.

In New England, which is almost fully covered by telephone service anyway, and almost fully covered by electric service, we find a good many lines where the power companies—I live on one of them myself—and the telephone companies went halves. One of them furnished the poles and the other one set them. This was years ago, and that was the only way that I was able to get electric service some 15 to 18 years ago, and it seems to me that would be the principal advantage. The biggest advantage of all is furnishing telephone service to the REA members and being able to divide the costs so that it would not be excessive in either case.

Senator HILL. It has been demonstrated, as you say, right in your State of Vermont.

Senator YOUNG. I do not think there has been a shortage of funds for REA, as Senator HOLLAND said a minute ago. We can ask that question of Mr. Wickard. I do not think there has been any shortage of funds. The last Congress appropriated \$875,000,000. I do not think it has been used up yet.

Senator HOLLAND. It has been my information that they have not been able to meet by any manner of means all of the requests for line expansion. Of course, we will have Mr. Wickard discuss that.

Senator YOUNG. I think that question should be answered.

Senator AIKEN. The money would go even further if part of the cost were charged to telephone service.

Senator HILL. You would get both for less cost to each.

Senator HOLLAND. It is not your intention that the telephone cost would be absorbed in the electric power cost and that you would get both the costs for the one?

Senator HILL. No; I would not say you would get both the costs for the one, but I would say this: You could get both for less cost to each.

Senator HOLLAND. I would be glad to have Mr. Wickard state into the record—

The CHAIRMAN. He will be a witness very shortly. We have one witness who desires to leave as soon as possible.

Senator HILL. Thank you, Mr. Chairman.

The CHAIRMAN. We thank you, Senator HILL.

Mr. LANGER. Mr. President, I now wish to quote from the testimony of a farmer, the president of the Missouri Farmers Association, Inc., Mr. F. V. Heinkel. Mr. Heinkel appeared before the agricultural subcommittee and testified as follows:

My name is F. V. Heinkel, and my address is Columbia, Mo. I am president of the Missouri Farmers Association, Inc., a State-wide farm organization having a membership of 126,000 farm families in Missouri, and also represents the National Council of Farm Cooperatives, which represents some 2,600,000 farm families throughout the United States.

Here we have an expert speaking, a man with authority, a man with experience, a man chosen by 2,600,000 farm

families to represent them before the Senate committee when it came to considering the bill which some of us Senators had gotten together to introduce.

Mr. Heinkel continued:

This opportunity to present the views of farmers relative to the rural telephone program which you are considering, is deeply appreciated. As a farmer, and living constantly in close touch with farmers, I feel competent to say that there is a dire need for more and better telephone service throughout rural America.

Only about 42 percent of the farms of the United States have telephones. But this figure does not convey the true picture. Service over existing lines ranges from good to bad and indifferent. Out in the Midwest, rural telephone service has a very bad reputation, and that is an understatement.

Missouri's telephone situation is comparable to that existing in most of the country, for Missouri is located in the very heart of America. Agriculture is its biggest industry, and the State ranks well up in point of wealth.

Listen to what Mr. Heinkel tells us about Missouri, the home State of the President of the United States. He says:

According to the 1945 census, only 45 percent of Missouri farms have telephones. In 26 counties, only 20 percent of the farms have telephones, and in 7 counties fewer than 1 farm in 20 has a telephone.

In the great State of Missouri, which gave us the President, 1 farmer out of 20 in some of the counties has a telephone.

I say that if the Republican Party during the Eightieth Congress had followed the advice of men like the Senator from Vermont [Mr. AIKEN], the Senator from North Dakota [Mr. YOUNG], and the Senator from Oregon [Mr. MORSE], and if it had passed some of the bills which were introduced to benefit the farmers, we would not have found the farmers of the country flocking to the Democrats. The Democrats put in their platform the promise that they were going to see to it that the farmers would be taken care of better than they had been taken care of during the 2 years when the Republicans were in control. If the Republicans are dissatisfied with what the farmers did, they have no one to blame but themselves. Some of us stood on the floor of the Senate day after day and week after week and month after month for two whole years, calling these matters to the attention of the Senate. I called the attention of the Republican Congress to the need for action, and begged that something be done for the farmers of America. My distinguished friend the Senator from Vermont begged and begged and begged for a good farm program, but was unable to secure it until the very last night of the final session, and then he said he accepted the bill because he could not get a better one, but that as a matter of fact he advocated things which were much better than those contained in the measure passed on that final night.

This farmer, Mr. Heinkel, continues in his testimony:

It seems incredible in these modern times that in 6 counties in Missouri, a wealthy State located in the center of the United States, there are fewer than 3 telephones per 100 farms.

I have prepared some colored maps for you which show clearly the situation in Missouri according to the 1945 census.

It is true that rural America has many shortcomings. We lack roads, and adequate electric services, and many other modern conveniences that are so commonplace to city dwellers. But one of the worst of our shortcomings is a lack of good telephone service.

Only a tolerant, patient class of people such as farmers would have put up for so long with the lack of such a modern convenience as the telephone. In fact, the younger generation of rural people are not putting up with it. They are leaving our farms in wholesale numbers. In Missouri, for instance, during the period 1920-45 the number of farmers 55 years and older increased 32 percent. In 1945 fewer than 1 out of every 50 farmers was under 25 years of age. The average age of farmers in our State is approximately 47 years.

What is happening is that farm children, who have been attending high school and colleges, are simply unwilling to live under the primitive conditions of their forefathers in this atomic age. Of course, I know that mechanization of agriculture and such influences as a disparity in prices have been at work in this connection, but, by and large, young farm people are simply refusing to stay on a farm where there are no all-weather roads, no electricity, no running water in the house, and no telephone service.

As the young people leave the farm for the bright lights and modern conveniences of the city, and their parents grow too old to operate their farms, the land is sold and merged into larger buildings. Thus, our farms grow larger and fewer in number. The family-sized farms disappear. Absentee ownership increases. Our population in the cities, where all too many of our citizens live in crowded apartments which they do not own, grows apace.

I submit to you that this is an unhealthy condition. It is not good for a Nation like ours—particularly during a period when democracy throughout the world is on trial—to have a large mass of people that own nothing but the clothing on their backs. When they have no actual, visible stake in America, they are a ready prey for those who peddle panaceas.

Aside from this sociological aspect, a lack of telephones is holding back the progress and development of rural America. Farm families badly need good telephone service in order to carry on their business. They need to telephone for repairs to their complicated farm machinery; to call the veterinarian; to call for help in case of fire and accident and sickness; to order supplies; and generally to communicate with their neighbors about their work, as well as to communicate with the outside world.

In Missouri—

Where this man comes from who testified before the committee, and who represents 2,600,000 farmers—

In Missouri, where the dairy industry has been developing as rapidly as roads and electric power will permit, we have several artificial breeding associations. One of them is affiliated with the Missouri Farmers Association. It has a stud of 40-odd dairy bulls, and competent authorities say this is the finest stud of bulls in the United States. Last year it was possible to breed only 30,000 cows. Twice that number of cows could have been bred with the same number of bulls if the telephone service had been adequate.

There's no telling how much Missouri farmers could multiply the State's wealth if they could breed all their dairy cows to fine bulls. For instance, by using good bulls it is possible to add 100 pounds of butterfat to the progeny of one of these animals in one generation. The average butterfat per

cow for the Nation is only 186 pounds, so you see what such an improvement would mean.

This farmer—and when I say “farmer” I mean farm expert, a man who had been asked by 2,600,000 farmers to represent them before the committee—continued:

I have with me a number of letters received recently from Missouri farmers complaining about the lack of good telephone service which I am leaving with the committee for perusal. You will note that a number of them came from inseminators whose business it is to breed cows artificially. Both they, and the farmers themselves, tell how they can't breed cows artificially because they haven't adequate telephone service. These letters say, as I have already mentioned, that even where there are telephones the service is abominable.

As previously stated, Missouri is no exception. In fact, the figures show that our telephone service is slightly better than the national average.

It is noted that the proposal under consideration by you does not provide for Government ownership of telephone service.

Mind you, it is not the making of an appropriation to put our Government into the telephone business. On the contrary, it is the opposite. I continue to read:

It authorizes the Rural Electrification Administration to make loans for the expansion and improvement of rural telephone service under the same terms and conditions which the REA has employed for many years in making loans for rural electrification. It provides that funds shall be made available on identical terms to private corporations and other agencies now operating telephone facilities, and recognizes the authority of State regulatory bodies over rates, service, and service areas.

In my estimation this is a splendid provision. Farmers have been highly pleased with REA service. A common and popular question one hears voiced at meetings of farmers is, “Why can't we have REA telephone service just as we have REA electric service?” I'm sure they would be happy if the privately-owned telephone companies would provide them with service.

Mr. President, the private telephone companies will not do it. As I said upon another occasion on the floor, when I was Governor of North Dakota, my own sister was living on a farm less than a quarter of a mile off the highway down which the line went. I tried to get the company to connect my sister's house with that line. She lived on the farm with her husband and children. The company asked \$1,300 simply to connect my sister's house with the line on the highway. That was after 3 years had been spent in negotiating. In the meantime the REA law was passed. North Dakota was the first State to take advantage of the REA law. The REA at Kindred, N. Dak., was the second REA cooperative organization in the United States. As Governor of the State I vetoed the first State law which had to do with the REA in our State, because I said it did not take in enough territory. I insisted that more territory be included. Today the REA at Kindred, N. Dak., is one of the largest REA's in the United States. We took in all the terri-

tory in the State, including some farms which the private companies said they wanted \$1,300 to connect up to their lines.

I read an interview set out in an Associated Press dispatch of yesterday. At the meeting in California a Mr. Mason said that it would amount to State socialism to give the farmers the benefit of electricity through REA. Yet, mind you, the private companies themselves do nothing about the matter. As the testimony shows, there are fewer telephones today than there were 20 years ago. The private companies are not trying to help the farmer any more than they did with electricity in 1933, 1934, and 1935, and before that time. Yet they object when a group of farmers get together and say, “We are going to have a cooperative. We are willing to have the rates set. We are willing to pay every single penny it costs. We are willing to borrow the money and pay back every single cent with interest, but we want telephones on our farms.” We find private firms objecting when, as a matter of fact, they have not lifted a finger during all these years to help the farmers, and are not helping them now.

This man who represents 2,600,000 farmers continued:

The fact that it has been a very, very long time since Alexander Graham Bell invented the telephone and more than half the farmers of America are still without telephone service has not been lost upon farmers. One of the big mysteries to them is why the telephone companies that have served urban areas so well and so long have been unwilling or unable to extend the service to rural areas. Thousands of farmers who have implored the telephone companies from time to time to give them service have just about given up hope.

Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Nevada [Mr. McCARRAN], and that the proceedings with regard to the resolution he is about to introduce appear at the end of my remarks.

Mr. McCARRAN. Mr. President, I do not know that the Senator from North Dakota fully understood my request when I conferred with him a moment ago.

There is a matter which the Senator from Washington [Mr. MAGNUSON] wished to take up. It is a matter which I held up on the call of the Calendar the other day. If the Senator from Washington were present, I should like to make a few brief remarks, after which I should have no objection to taking up the measure in which he is interested and disposing of it. I wonder if the Senator from North Dakota would care to yield, with the understanding that the proceedings in connection with that subject shall appear following his remarks.

Mr. LANGER. I am glad to yield. As soon as the Senator from Washington reaches the Chamber, I shall yield the floor.

Mr. President, I ask unanimous consent that the remainder of the testimony of Mr. Heinkel be printed in the RECORD at this point as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Thousands of farmers who have implored the telephone companies from time to time to give them service have just about given up hope. If the seeming lethargy of the telephone companies is due to their inability to finance the expansion into rural areas, then this measure under consideration by you will provide the solution to their problem.

If, on the other hand, they are simply unwilling to provide such service to rural areas, then it is necessary for Congress to help the rural people to help themselves by making it possible for REA financed cooperatives to render the necessary service. Perhaps a combination of both would be best for the entire country.

Since telephone lines must connect up with the whole network of systems that serve the Nation, it is obvious that a few farmers in a neighborhood cannot provide such a service for themselves—at least in a satisfactory manner. That's why it is necessary, in my opinion, for Congress to help rural people to help themselves.

After having observed how well REA loans have been gradually amortized with interest, we have reason to believe Uncle Sam will lose none of the money that is invested in rural telephone service. It will not be merely an expenditure of money, but an investment that will bring enormous returns in greatly increased wealth produced by agriculture, plus a better rural life that will build more solidly the foundation upon which our country rests and make it safe for a continuance of the free-enterprise system and a democratic form of government.

This program is one of the most important that will come before this Congress, so far as rural America is concerned, and I can assure you that the farmers of our country will be forever grateful to Congress if you adopt it.

The CHAIRMAN. We thank you, Mr. Heinkel. Are there any questions?

We have two more witnesses present from out of town who will find it inconvenient to be here at future dates when the hearings are scheduled to be held. I will call on them for brief statements at the present time.

Mr. LANGER. I also ask unanimous consent that the testimony of Frank R. Price, manager of the Magnolia Electric Power Association of McComb, Miss., be printed in the RECORD at this point as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF FRANK R. PRICE, MANAGER, MAGNOLIA ELECTRIC POWER ASSOCIATION, MCComb, MISS.

Mr. PRICE. I am Frank R. Price, manager, Magnolia Electric Power Association, McComb, Miss., an REA cooperative.

I am primarily interested in this bill because, as manager of an REA cooperative, if our members can let us know of a disruption in service we can render much better service.

To bring that to you clearly, I am stating emphatically that we now get post cards written 3 or 4 days before notifying us that a certain line is out. We cannot do anything about picking up service on that line until we know about it.

With telephones that our rural members can give us the information, we definitely can do a much better job rendering service under REA. The things go hand in hand. I am definitely interested because I know our people need them.

In the area I serve there are 7,200 REA members on our system. About 5 percent

of them, or less, have telephones, and those are the people who are not farmers. They are people who live in the rural areas adjacent to the larger towns where the telephone companies have extended service out to those places. I mean it has extended service to their homes. They are not farmers. They are people who work in town. We need them on our own farms for the reasons that have been stated heretofore so that the people will be able to communicate with each other. It will help their social and cultural relations and it will certainly help their health facilities because they cannot now call doctors.

My experience on telephones is very similar to the one Mr. Bryan stated. My father had a telephone line, when I was a child, that he built, 25 miles, for strictly business purposes. But he did pick up along that line and extended other lines out in order to give the people along the route the facilities also. That line has not been in existence for 25 years now. There is no line in the area there to serve and unless this bill can be passed, or one similar to it has the scope of this bill, I see no chance for our rural people to get telephone service.

I think that is the extent of my remarks. The CHAIRMAN. We thank you for your appearance.

Mr. LANGER. I also ask unanimous consent that the testimony of Claude R. Wickard, Administrator of the Rural Electrification Administration, which he gave before the committee on June 11, 1949, be printed in the RECORD in full. I am now referring to his statement. I am not referring to the questions which were asked him.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CLAUDE R. WICKARD, ADMINISTRATOR, RURAL ELECTRIFICATION ADMINISTRATION

Mr. WICKARD. Mr. Chairman and members of the committee, I have a prepared statement and I shall be glad to give the committee copies so they might more closely follow me.

The CHAIRMAN. The copies are being distributed by the clerk.

Mr. WICKARD. I am thankful for your invitation to present my views on Senate bill 1254, which would enable local, private telephone enterprises with the aid of a self-liquidating Federal loan program to meet a most urgent need for the expansion and improvement of rural telephone service.

Through experience gained from having spent most of my life on the farm and a lifetime association with farm people, I know how essential reliable telephone service is to rural people. It is far more than a convenience; it is an absolute necessity. With the possible exception of electric power, it is hard to conceive of anything that means more to the health, happiness and economic well-being of farm people than good telephone service. In time of sickness, fire or other emergencies, a farmer without a telephone is practically helpless, isolated by miles from a doctor or other assistance in his hour of need.

The farm is a place of business as well as a place of residence and the farmer must have fast, dependable communication service if he is to be able to produce efficiently and economically the food and fiber upon which this Nation depends for its existence.

For example, during the harvest season a quick call into several towns in the area may be the only means of locating an essential repair part for a piece of machinery and of saving a crop, the product of a year's labor.

Prompt veterinarian service and adequate and detailed local market information can be quickly and effectively made available only through a reliable telephone.

From a social standpoint the farmer's wife and family, because of their isolation, have much more use of telephone service than any other group of citizens.

Looking at it from every angle, no group of people needs telephone service as much as farmers. Despite this obvious and urgent need for good telephone service, the rural telephone situation in this country is deplorable. Much less than half of our farmers, perhaps somewhere between 37 and 42 percent, have any kind of a telephone at all.

Many of those who do have telephones are forced to put up with inadequate, unreliable, obsolete equipment and service.

Some of us had been hopeful that with the end of wartime shortages some improvement would take place. As a matter of fact, the performance has been very disappointing and, under present conditions, there seems to be little hope for further improvement so far as typical farm areas are concerned. Today the number of farms having telephones is actually smaller than it was 30 years ago. The 1920 census showed 2,498,000 farms with telephones. In 1945 the number had decreased to 1,866,000. Today, by liberal estimates, the total is 2,473,000, or about 25,000 fewer than in 1920.

This leaves 3,380,000 farms in this country without any telephone service at all. The quality of service on most of the systems in the typical farm areas continues to deteriorate.

May I draw upon a recent personal experience which is not an unusual one for farm people. I have on the walls of my Indiana farm home the same telephone instrument that was installed there when I was a small boy, almost a half-century ago. This service, to be as charitable as possible, is uncertain. On the morning of May 17 of this year my small granddaughter was badly scalded in this farm home. At best, doctors are hard to find in a typical farm area. The telephone had been practically useless for several days. However, by heroic effort and urgent pleading my daughter was able to enlist the aid of the operator who relayed her request for help. Only through this extraordinary effort was a doctor obtained and first-aid administered. When I arrived a few hours later I was not able to get any use out of the telephone at all. A man who repairs the line on a part-time basis told me that it would be a day or two before he could get it back into commission. He told me that the line was in such condition that it was getting very difficult to repair, and referred to the fact that the old wire had become so hard and brittle through age that it was very difficult to splice. I told him that after the experience of that day I was hopeful that the service could be improved quickly as I had visions of other emergencies which might arise. He volunteered the information that at least \$10,000 was needed on this small mutual system to put it in usable order. He did not venture an estimate as to how much more would be required to really modernize the system.

We are getting letters from all over the Nation describing situations similar to the one which I have just told about. A great number of these letters tell how people have sought telephone service in vain. Some of them relate how the telephone systems that were in the neighborhood have gone completely out of commission. Their letters bear out the fact that little is being done today to improve farm telephone service and that the prospects for the future are dark.

Ever since the first telephone legislation was introduced in 1944 we have been hearing a lot about the plans that the large companies had for expanding their farm service.

We had hoped that the announcement of these plans was not merely a gesture in response to the legislation which had been introduced.

We, in REA, worked out a model agreement for joint use of telephone and power facilities with the Bell Telephone officials. We hoped that this would be a means of cutting costs and expediting rural telephone service. Two hundred and six REA cooperatives have entered into these agreements. Yet, the 146 cooperatives which have reported the results indicate that a total of less than 12,000 telephones have been installed through the use of their facilities.

We were hopeful that the telephone companies would take advantage of the increased supplies of materials and labor to bring about an improvement in rural telephone service as has been done in the field of rural electrification. When the war was over, 45.7 percent of farmers had electric service. Today over 73 percent have electric service.

On the other hand, a survey by the Bureau of Agricultural Economics of the Department of Agriculture, which was released on May 4 of this year, indicates no significant change between July 1, 1947 and July 1, 1948 in the total proportion of farms having telephones. I am filing a copy of this survey for the record.

The CHAIRMAN. Without objection the copy will be placed in the record at this point in connection with your testimony.

Mr. WICKARD. The survey points out that during the three-year period 1945 to 1948, the increase in the proportion of farms with electricity was four times the increase in the farms with telephones. The survey also indicated that the percentage of our farms having telephones today is about 2 percent less than it was in 1920. These are the reasons that farm people are appealing for a program to do the job in the rural telephone field that has been so successfully done in the rural electrification field.

The Farm Bureau, Grange, Farmers Union, National Council of Farmer Cooperatives, Missouri Farmers Association, and other farm organizations have all called attention to the seriousness of the telephone problem and have urged that national legislation be enacted to solve it.

There is unmistakable evidence that the A. T. & T. and the large independents are not going out into typical farm territories where a high financial return is not in prospect. On the other hand, the small independents and mutual companies simply cannot get adequate financing today to enable them to take care of these territories.

If it had not been for these small companies, both independent and mutual, most of the farmers who today have telephone service never would have had it, and I would like to pay a word of tribute to them. These small companies have struggled against great odds over the past half-century to bring an essential service to farm people. They were undercapitalized to begin with and they did not have the opportunity to set up adequate reserves such as has been done in the REA program. Today a great number of these small companies are in desperate financial circumstances; they need help and whether they get it or not depends upon enactment of this legislation.

To put it another way, whether farmers get adequate telephone service depends in a great majority of the cases upon this legislation. I know that a number of these small independent companies and mutuals have been told that enactment of this legislation would socialize the industry, that their lines would be duplicated and they would be put out of business. This is a complete distortion of the provisions and purposes of the bill. In the first place, lending Federal

money to local independent and mutual companies is not socialism by any definition of the term. I might point out that the cry of socialism is not raised when thousands of banks, the railroad companies, and large commercial and industrial enterprises borrow money from the RFC.

This is a program for getting telephone service to farmers. It will be accomplished by lending Government funds to the privately owned, locally managed enterprises which will do the job. It will be done on a self-liquidating basis. This is specifically required by the bill.

As to duplication, the bill provides for all the safeguards that can be written into legislation. In addition, there are some very practical reasons why the alarm over duplication is unwarranted. To be self-liquidating, loans must be economically feasible. I don't see how I can possibly certify as to the economic feasibility of loans for facilities to serve people who are already receiving adequate and reliable service. I don't expect to receive applications for such loans. But even if I do, the provisions of the bill which require recognition of State regulatory laws will take care of such applications. Let me point out that this provision is precisely that recommended by the National Association of Railroad and Utilities Commissioners.

I personally want to state that if I were in charge of a program to make loans for rural telephone service, I would think it wise to give preference to those people who are already in the business and who are willing to do everything practicable to furnish satisfactory telephone service. And I can assure everyone that there is no intention on my part to make loans to rural electric co-ops which would put existing telephone companies out of business. As a matter of fact, few if any electric co-ops have a desire or are in a position to enter the telephone field at all. Furthermore, it would be remembered that any administrative action that is unwise, unfair, or not in the public interest can always be halted by the Congress through its continuous control over appropriations.

I am submitting for your consideration a résumé of the farm telephone situation. This résumé bears out in detail the statements that I have made that farm people are not getting adequate telephone service and are not likely to get adequate telephone service under existing conditions.

To sum up, there is a most urgent need for improvement and expansion of telephone service for farmers. This improvement is not taking place and, in my estimation, it will not take place unless there is enactment of legislation such as proposed in S. 1254.

The CHAIRMAN. Mr. Wickard has placed before the members of the committee a rather sizable number of pages, a large number of pages entitled "Farm Telephones." Is that what you just referred to?

Mr. WICKARD. Yes, sir; and that bears out in detail the statement I made here about the failure of this telephone service to improve in typical farm territories.

The CHAIRMAN. You request this be made a part of the hearing?

Mr. WICKARD. Yes, sir, I do.

Senator ANDERSON. I should think it should be made a part of the record.

The CHAIRMAN. Without objection the statement will be filed and made a part of the record, but not necessarily printed in the record.

(The statement referred to will be found in the files of the committee.)

The CHAIRMAN. Each member of the committee will have his copy of the statement.

Mr. WICKARD. It is submitted for the use of the committee to do whatever they see fit with it.

The CHAIRMAN. Later on after we consider this data, if it is thought desirable to make it part of the record we can have it done.

Mr. Wickard, inasmuch as you will probably have charge of the program if it is provided, or your successor will, I would like to have you take this proposed legislation, the several bills that have been introduced in the House and Senate, make a study of them, and then at your convenience submit such suggestions and recommendations as you think should be given consideration by the committee to perfect the bill in the event the committee sees further fit to recommend it favorably, if you will do that.

Mr. WICKARD. Yes, sir, I believe the bill, as now written, is adequate but nevertheless I shall be glad to give it further study.

The CHAIRMAN. I would like to have you give us your considered judgment as to whether or not it is adequate, whether it needs additional provisions, or whether it contains provisions which should be deleted. In other words, we want to get your full consideration and any recommendations to be made a part of the record.

Are there any questions to be submitted to Mr. Wickard?

Senator YOUNG. Is there a shortage of funds to make loans to farmers cooperatives for REA?

Mr. WICKARD. No, sir, there is not a shortage of funds at the present time, a shortage of loan funds. We are not going to be able to loan all of the funds that Congress has made available to us.

Senator YOUNG. Was there a shortage last year?

Mr. WICKARD. No, sir, there was not a shortage in the year just closing. We will not be able to loan all that money. I would say that we just do not have enough people in our organization to make the loans under present conditions which are becoming increasingly difficult.

Senator YOUNG. You think there is a shortage of administration funds?

Mr. WICKARD. Yes, sir, there is a shortage of people to do the kind of a job that I am sure Congress wants done in safeguarding the Government's interest and providing the service in the most economical manner.

Senator YOUNG. Have you employed all the people in your department that your funds would permit?

Mr. WICKARD. We have.

Senator HOLLAND. You do not mean to testify that you have been able to meet all the legitimate applications for extension of service by the REA?

Mr. WICKARD. No, sir, we have not been able to clear all the applications. I think there was a backlog today of more than \$400,000. We are taking care of them as fast as we can, trying to get all of the projects—they are getting more difficult all of the time. We are getting difficult power problems and a lot of things which would require a lot of study and it just takes time for us and requires the very best experience and judgment that is available to see that the loans are properly made.

Senator HOLLAND. Your statement is simply that the funds have been more than adequate to meet the loans which you have been able to approve with your limited personnel?

Mr. WICKARD. That is right.

Senator HOLLAND. You did not mean to indicate at all that you have been able to meet legitimate requests of farmers for additional service?

Mr. WICKARD. No, we have not been able to grant all the loans.

Senator AIKEN. As I understand it, Mr. Wickard, under the REA law, you can, and have, to a small extent, made loans to private power interests?

Mr. WICKARD. Yes, sir.

Senator AIKEN. But that under the law preference is given to the cooperatives, whereas under this proposed telephone bill the cooperatives and the private telephone companies would be on an equal basis as regards loans, is that right?

Mr. WICKARD. You are correct, Senator AIKEN, in stating that under the REA Act we have authority to make loans to persons which includes corporations and partnerships and individuals, as well as cooperatives and public bodies. Under the REA Act, preference is given to the public bodies and cooperatives. Under this legislation, as I understand it, the existing companies, whether they be mutuals or independents, are on a par with cooperatives.

Of course, if there is no existing company in a territory, then I believe that the cooperatives would be given preference.

Senator GILLETTE. Mr. Chairman, commenting on the statement that Mr. Wickard just made, induces me to recall that when we passed the legislation initiating REA, your predecessor called some of us down from Congress to try to induce the farmers to take the facilities that had been available for REA.

The initiation of that type of legislation and its development could well be considered in connection with what we are now trying to do to initiate this added facility.

Mr. WICKARD. I think that is correct, Senator GILLETTE. I believe when we first started out with the rural-electrification program, under the first Administrator, it was hoped and thought that the existing power companies would avail themselves of the low rate of interest and the long amortization. But they did not, and therefore the Congress specified when it wrote the original REA Act that cooperatives would be given preference. That is the way it stands today.

Now, there was one matter which was brought up here awhile ago by Senator ANDERSON and I may be incorrect in my analysis of the bill—that is, with reference to whether we could finance an existing telephone company which may be intending anyway to extend the service in the rural territory. As I read the bill, it is pretty plain that the Administrator of the program could only loan money for the purpose of the improvement, expansion, construction, and acquisition and operation of telephone lines, facilities, systems to furnish and improve telephone service in rural areas. I believe rural areas are defined as towns of 1,500 or less.

Senator ANDERSON. That very definitely limits the possibilities because you have not used the word "refinanced." If that is your understanding of it, there is certainly no objection on my part to the bill.

Mr. WICKARD. It says "for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas."

I would think, Senator ANDERSON, the amount of funds will never be too ample and the objectives of the act, as stated, would limit us to the use of funds to where it was to be shown plainly that a good job of improving and expanding the service in rural territories would take place, rather than to refinance anybody who is in the business now just because he could get a lower interest rate.

Senator THYE. That would be my question—

Mr. WICKARD. That would not be the case.

Senator THYE. That would be my question, Mr. Wickard, assuming that a telephone company existing in a town of 14,000 was owing \$50,000 to the local banker—just using the words "local banker"—and that if he made application to you to be refinanced where he would obtain his loan and through your agency to refinance himself to pay the banker the \$50,000, on which he might be paying 2, 3, or 3½ percent interest—now you would reject such a loan?

Mr. WICKARD. Under my interpretation of the bill as now written it would not permit it, and I would hope that anybody who

would administer the program would not do it if the bill would permit it.

Senator ANDERSON. Let me give you another one: Suppose this individual is already in the community, a rural community, and he is serving that community and he desires to extend this into rural areas. That is going to upset his financial situation because he probably has a mortgage on his plant and he is not able to expand that mortgage. Therefore he comes to you and says that in order to build these two lines which may represent only 10 percent of his business that he desires to have you refinance his whole existing capital structure at 2 percent for 35 years.

Now, if you have permission to do that, then I cannot help but think that is wrong.

Mr. WICKARD. I agree with you. I do not think the bill gives permission to do that and I think it would be bad policy to do it.

Senator ANDERSON. That is all I am trying to get at, Mr. Chairman.

Mr. WICKARD. I think that discussions like this ought to clarify that particular question that you brought up.

Senator ANDERSON. That is the only question, Mr. Chairman, that I have. If permission is only to finance the extension to an existing system, then I am not as worried about it. I do think that it is far better to provide that, when these private industries and cooperatives are involved, the rate of interest shall be the rate which the Government pays. I think otherwise you get into complications.

Mr. WICKARD. May I say, Senator, that this question is before me at this particular time because a power company, an electric power company in Senator HOLLAND's State, has applied for a loan to improve their transmission system, and I do not look with favor upon that loan because it cannot be clearly demonstrated that that is going to be of great benefit to serve the territory where the local cooperative is dependent upon that company. It is not a new question and it is one you must have some administrative flexibility to meet, but, as I said, I would take very seriously the instructions, limitations, stated in this bill when that kind of question comes up.

The CHAIRMAN. Any further questions?

Senator AIKEN. Going back to Senator ANDERSON's hypothetical case, you would not have any right to finance two rural lines for a system in a town of 14,000 population unless you first satisfied yourself that that system was entirely solvent.

Mr. WICKARD. Yes, and we might be able, or might be required, in order to get into the central system, to build some lines within the city limits, but they would have to be a part of the extension to the rural people, as I see it, before we could do that.

Senator HOBY. With reference to financing private companies where they already have obligations and would need more money in order to make these extensions, is it the policy to require that liens previously entered into shall be canceled out and the Government has the first lien?

Mr. WICKARD. No, sir, that is a problem Senator ANDERSON and you both brought up, of previous liens, but our attorneys must be satisfied, of course, that we are protected on the property on which it is to be built and we want to have a mortgage and the first claim on that, and that does cause difficulty at times, but we do not go in, as we did in the case in your State, Senator THYE, a town in your State which is serving REA lines, and refinance the whole municipal operation or plant. We simply finance only that part which is needed to extend service to the rural people and try to get security upon that part rather than upon the other which would bring about this problem.

Senator HOBY. In so many of these small telephone companies they have a good many obligations and of course if they had to clear

it all, as Senator ANDERSON mentioned, unless they did refinance what they had we would not be able—

Mr. WICKARD. They do have some indebtedness which causes them problems. Sometimes we have not been able to make a loan to private companies which wanted to extend service in rural territories because of the problem you bring up.

Senator HOLLAND. Going back to the question of interpretation of the provisions of this proposed measure for the making of loans, I will ask Mr. Wickard to look at the words on lines 14 to 17, page 2, of S. 1254, which reads:

"* * * and for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of facilities to render telephone service."

I ask him to note that the word "acquisition" is used there. Is it not correct that under those words the Administrator would be permitted to approve and to finance the acquisition and operation of facilities now in existence provided they were purchased by some new operating company?

Mr. WICKARD. First, the preference to the loan, which is given down there, the preference is given to a person providing telephone service already provided. Secondly, the consent of the commission of the State might have jurisdiction and it would have to be obtained. Then, the persons who owned the property would have to be willing to sell.

We have the same problem—I think Senator ANDERSON referred to it awhile ago—you cannot very well finance a loan to buy something that is not for sale.

Senator HOLLAND. I am going back to the proposal advanced by Senator ANDERSON: It seems to me that you have answered that you would not be able to finance the present owner who is in trouble, but it seems to me quite clear that under this wording you would be able to finance a new purchaser to acquire and operate and that I would object to more than anything.

Senator ANDERSON. It might be a cooperative—I am trying to get to the situation that has caused a good deal of trouble in the operation of REA, namely, where REA has gone in a community of 45,000 people and has acquired the entire property there from the owner in order that it may use the low rate of interest for other obligations, to finance construction in the areas where it would not otherwise be feasible to carry lines.

I am not in accord with it too much because it is necessary to expand it, but as Mr. Wickard knows, I could give him many communities in my State where that is going on right now, the acquisition of the entire property in the community in order that you would extend that community a lower rate of interest on its applications to carry lines which otherwise would be difficult to sustain. We are pretty well committed on electrification, but does this now mean that you could go to this community and, as Senator THYE was talking about, acquire that telephone line because it was not able to build in rural areas, use it as a nucleus, and then by a new cooperative build a line out to these rural areas that need serving, all the time operating the plant within the municipal boundary?

Mr. WICKARD. Yes, I would say it merits that acquisition if all its conditions were met first. You carry out the objectives of the program if the State commission gives its approval and has jurisdiction, and secondly that the people who have a telephone—who have the facilities—now are willing to sell.

For instance, in your State or in the Southwest, the Fairbanks-Morse people have a subsidiary company which perhaps got into the power business because they have generators to sell. They now want to withdraw and they have offered those facilities for sale and they are making loans to some cooperatives to acquire those properties which are for sale

in order that they can have a little of the cream in order to take care of the thin territory in other parts of the area.

Senator ANDERSON. Now, all of the things of that sort are contemplated under this bill—starting telephone companies?

Mr. WICKARD. There could be such things as that, yes, sir, if there was as plain a case given there. I do not know how much of that there would be. As I said, all of the parties would have to be in agreement, give their consent, and all the objectives would have to be met.

Senator AIKEN. I think that some provision for acquisition would be necessary in the bill because I recall the early days of the rural telephone in New England where as few as a half dozen families would build a line to their own homes and tie in with what was the nearest main line of the New England system. I would expect there would have to be some provision for acquisition to permit them to sell out a line which they may have built for themselves even though it might not be more than a couple of miles long. That would not be necessary in New England now, so far as I know, because they combine them into small telephone companies, or already the New England system is taking them over.

But I expect there are still plenty of those cases in other parts of the country.

Senator ANDERSON. I am sure I am not worried about what happens out in rural areas so far as that rural line is rehabilitated. What I am asking about is the provision in this bill to go into a community of nearly any size, acquire their entire telephone property in order that you may be able to use that as a starting point for spreading telephone lines in the rural areas. That does present some problems particularly.

Senator AIKEN. I would think that would be taken care of.

Mr. WICKARD. May I say, as I visualize this acquisition, we exercise this authority mostly in cases where today we have 50,000 or 60,000 small mutuals, or self-help companies which do not have in many cases any central station or any operator and those farmers have a little investment. In order to give them the proper kind of service you would have to take over some of these lines. Many of them are practically worthless, but nevertheless it seems to me there must be some authority to do that sort of thing. I am sure it is not contemplated that the money will be used to go in and buy properties in nonrural towns or areas now unless there must be some very urgent circumstances, because I am sure there would not be enough funds for that and I do not think the need will be in that direction as much as it will be in other directions such as I have just described in these very small isolated lines that farmers themselves are trying to maintain but which ought to be made a part of a larger system.

The CHAIRMAN. It occurs to me that we should consider this legislation with respect to the man who lives in a rural area like we consider the REA to get the service to this individual and to his home. Then, that being the primary consideration, of course secondly we must take into consideration the source or the end or the place where the line starts. It has to start some place and should start at some exchange.

But the first thing, it seems to me, is to consider the bill from the standpoint of the people living way out in the country away from even villages. Then that is going to bring up the question of whether or not the existing lines, poles, and conductors, can be used for the transmission of telephone messages.

Now, I think the members will soon agree, if they have not already, that to be a Member of Congress he should be a specialist, an expert in every line of human activity. Well, of course, that does not happen, and we

are going to require the advice of some electrical engineers to advise us whether or not the existing lines can be used and new lines that are constructed can be used. Can the witness give us any information at the present time whether or not you can transmit, hook up, telephones to our existing power lines and send messages back and forth without detriment to the power lines and get satisfactory service?

Mr. WICKARD. Yes, sir; that is possible and being done today.

The CHAIRMAN. We want information to that effect some time before the hearings are concluded.

Mr. WICKARD. All right, we can give you the number of telephones on REA systems that are using the power line as a carrier for the telephone message.

The CHAIRMAN. If you will advise someone to make a special study of this particular feature and then advise the committee, we will give him an opportunity to advise us with respect to the engineering and scientific features.

Mr. WICKARD. I would say to you, Senator, now, and let me give you further information on that, that the joint use of the power lines for transmitting telephone messages as well as electric power is practicable and is feasible except for one thing: The Western Electric people, who are the only people manufacturing instruments today, are charging so much that it is economically difficult to use that type of service. It is a question of economics rather than engineering.

The CHAIRMAN. We would like to be advised with respect to that feature of the matter.

Mr. WICKARD. We will supply that for the record.

Senator HOLLAND. I would like to ask the witness to elaborate on his statement contained in his formal statement, and I quote from it:

"As a matter of fact few if any electric co-ops have a desire, or are in a position to enter the telephone field at all."

Does that mean that even though there is the chance to utilize the electric transmission lines that there is some reason why the co-ops do not wish to enter this field?

Mr. WICKARD. That perhaps is not too well stated. It meant for the telephone cooperatives to go into the telephone business and operate any kind of telephone facility—now I did not mean to exclude letting the other telephone companies use the poles, or power line itself. I was merely trying to say that I did not know of any REA cooperatives that want to set up a telephone exchange and go into that operation and I say I do not think very many of them are in a position to do so because their State laws do not permit them to do that. There have been a lot of assertions and claims made by some of the people opposed to this bill that the electric cooperatives are going to go in and take over the small mutual independent companies. I am trying to make a statement here that that is not desired by the electric cooperatives and would not be possible if they did desire it, and I do not favor it.

Senator HOLLAND. I want to ask clarification of one more portion of the witness' statement. This is on page 2 of his statement, and I quote—he has just said that a model agreement for joint use of telephone power and facilities has been worked out by REA and that 206 REA cooperatives have entered into this model agreement. Then he comes in with "Yet, the 146 cooperatives which have reported the results, indicate that a total of less than 12,000 telephones have been installed through the use of their facilities."

Does the witness have any figures on the total membership of those 146 cooperatives who were in position to utilize the telephone facilities?

Mr. WICKARD. No, I do not have it. I do not know how close we could come to it.

We would know the number of REA subscribers of the number of 146 reported, but I do not believe we would have any way of finding the number of them who do not have telephone service. It would be a sizable number, many times 12,000, but I could not give you the total number that might use this joint agreement if it were possible to do so.

Senator HOLLAND. May I ask the witness to elaborate just what in his opinion is the reason for the use of telephone facilities by only 12,000 telephone users in the case of those 146 co-ops using this model agreement who have reported?

Mr. WICKARD. There are several reasons: One of them, and a primary reason, is that the telephone companies themselves are not interested in getting out into the typical rural territory to put in telephones even though this joint use agreement is available. Now this simply goes back to the problem that some of them do not have the finances and those who have the finances are not interested in getting out into typical REA territory. A number of co-ops—and I see the gentleman who just testified nodding his head—have asked that the telephone companies who do enter the joint agreement agree to serve all the people of the territory so you would not have a cutting up and skimming off of the cream through this agreement so there would be a lot of people who never would get service because of this activity.

In other words, there has not been an entering into these agreements to a scale which would satisfy the local REA cooperatives that they were going to get the same kind of telephone area coverage service that they were extending to their patrons.

Senator HOLLAND. Am I correct in my understanding that these 206 joint model agreements were with the Bell Telephone Co.?

Mr. WICKARD. No, sir; they were with Bell and independent both. We worked with Bell trying to work out what we thought was a model kind of agreement. I will have to admit some of the telephone companies thought that it was too much in favor of the cooperatives and some of the cooperatives thought that it was too much in favor of the telephone companies. We did our best working with Bell officials for several months to work out something that we thought might be fair to spread the benefits and economies to both of the cooperatives, power people, and to the telephone companies.

Senator THYE. Mr. Wickard, the wholesomeness of this legislation is to the extent that we are focusing not only our own attention, the public attention, and the utility's attention to the situation and the problem. Now, the utilities will serve a town, or a city, in an excellent manner because the public demands that. The farmer gets out here on the end of a line somewhere and if his line is out of order and it does not affect the utility in general, why it may be several days before he gets any specific relief from the disturbances on the line or the fact that the line is out of order.

So I say that the legislation is creating the type of public interest what is most wholesome to give you better telephone service out in the rural areas. Now, I will say that I have had some experience with it because I not only reside where a mutual operates, a little individual group affiliated by central connection to our regular telephone company in town, but I was manager of it for a number of years. I took all the complaints from the housewives and everybody else and I know just exactly what the situation is. We finally gave it to a private company and they assumed it and broke up the unit that we had and put it on a half-dozen lines so our numbers were changed and the community was in a sense served in a much better condition than we had ever been able to have served ourselves. We did not pay a

great deal more for the monthly service charge. But to start with we could not get anybody to build for us, so we built it ourselves, but time finally progressed to a point where they saw fit, or there were enough subscribers, to make it profitable for the company to take us over.

I see the point here that you have got isolated communities that are exactly in the same condition we were 30 years ago.

Mr. WICKARD. I am sorry to say I am still in one.

Senator THYE. I am surprised, sir, you as one of the Cabinet members, or have been in the Cabinet, and now at the head of REA, that you have not convinced the utilities or the company to do something about your line. I am awfully surprised, but you must be in pretty much of an isolated area, or otherwise—

Mr. WICKARD. I do not like to have inferred that we are backwoods people, or a backwoods community. We have our own mutual company and have been there for more than a half-century. I suspect that the farmers in that territory have a little feeling about the matter. [Laughter.]

Senator THYE. I was only kidding you about that. You are in a mutual, and it is your own fault that you are no better off in the service rendered than you are, and the only reason you have not better service is that you did not want to subscribe, or you did not want to charge one another sufficiently to make possible a reconstruction of the line.

Now that is what happened with us. We could not get enough of a subscription for the reconstruction so we just gave it up and gave the line away. Now that is just about where you are right today. One of these days—

Mr. WICKARD. We do not intend to give the line away.

Senator THYE. One of these days your wives will get mad and give it away on you.

Senator HOLLAND. Mr. Chairman, I think it is important for the witness to state, and I am glad that he has stated, that these 206 cases using the model agreements were not all with the Bell Telephone Co., because I had gathered that impression from his statement.

Mr. WICKARD. No, sir; they are not. They are open to any telephone company that wants to use them.

Senator HOLLAND. One more question I have is this: Do you know, Mr. Wickard, why in this act these other services are included within the field of facilities which are covered?

Mr. WICKARD. Well, today we hear a lot about telephony, and I was struck by a pamphlet put out by the American Telephone & Telegraph and a letter that came to my desk a few days ago showing how the great granddaughter of Alexander Bell—a picture of this very nice-looking young lady—was talking over a telephone in her automobile. Now we may have some kind of development like that particularly in some of the isolated farm territories where it is more economical, if developments occur, to use a wireless or a radio-type of telephone communication than it would be to build a long line with a lot of poles and other expensive equipment. So the bill provides for a wireless although I think only the economics involved would say whether you should ever use a wireless type for transmission.

Senator HOLLAND. It is intended, however, to permit REA financing of wireless communications if that proves to be economical?

Mr. WICKARD. Yes; if that is economical.

The CHAIRMAN. I understand we have now some machinery gadget called a "walkie-talkie" outfit where an individual can talk into it and people at a distance can get that and transmit it, receive the sequel, and convert it into language and they can talk back and forth—is that true?

Mr. WICKARD. Yes, sir; that is some of the electronic development. During the war that was used very effectively in combat.

The CHAIRMAN. It would not have to be a "walkie"—it might be a "sitting-walkie-talkie", is not that possible?

Mr. WICKARD. It is possible and might be desirable where distances are great or people are isolated.

The CHAIRMAN. Of course, we all recognize that this is a new invention. There is no legislation on the statute books with respect to this matter definitely, and we are trying to find out just what can be done, and then when we find out what can be done we will decide whether or not we will start to do it. We want all these facts presented to us if we can get them. In order to do that it is going to take time and when this bill is finally reported and passed, we should have definite programs so that the people who are interested would know exactly what we are preparing to do, what we propose to do, and how we propose to do it. If the hearings can bring out those facts upon which we can build a definite conclusion, or state a definite conclusion of what they can get by borrowing money and installing the equipment, they are entitled to know that. I think if we can get that idea before the rural people they will know immediately whether or not they are interested—now perhaps that is the wrong statement—they will know whether or not they want to investigate it.

The REA has taken some time to get to its present status and it will probably be sometime after this is installed before it will be very widely used, but if this system can be developed without the use of poles or wires, that ought to be investigated and made clear in the record. If you will set your engineers to the task of getting this data together and at a later date present that to us, we will be glad to have it.

Mr. WICKARD. Mr. Chairman, I would like to say I am in agreement with what you have stated that perhaps in the beginning we ought to go rather slowly, as we did in the REA program. Experience is a wonderful thing in a thing like this where you do not have a precedent.

I also would like to say that I would like to have this committee very thoroughly discuss these things and give the administrators of this program, this bill, if enacted, all the guidance that they can so that the administrators will know what the Congress intends.

The CHAIRMAN. Thank you, Mr. Wickard.

Mr. LANGER. Mr. President, I also ask unanimous consent that my own statement at that time be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HONORABLE WILLIAM LANGER,
UNITED STATES SENATOR FROM THE STATE OF
NORTH DAKOTA

Senator LANGER. I want to say, Mr. Chairman, that I have read the statement of Mr. HILL and endorse it in its entirety, every single word and line and paragraph in it.

Out in North Dakota, roughly 30 percent of our farmers have telephone service. I do hope that none of the rural lines are going to be injured. I am sure this committee would in some way integrate those lines already existing, using the REA lines that we now have existing there.

I want to say that the people of our State want it very much. Some of our people are as much as 40 miles away from a doctor, and you can understand what it means to them, especially in wintertime, if they do not have telephone service.

Senator YOUNG. How are you fixed on doctors?

Senator LANGER. Well, we have a doctor in every county except one; outside of Sioux County we have doctors in every one.

Senator YOUNG. But there are towns in the past that have had three or four doctors, and now have a terrible time getting one.

Senator AIKEN. I think you would have difficulty locating doctors in a county where they did not have telephone service, anyway.

Senator LANGER. Thank you very much.

The CHAIRMAN. If we reverse the scale and have telephones, they could phone in to the doctor and either get service or information.

Mr. LANGER. Mr. President, I also ask unanimous consent that the statement of my colleague the junior Senator from North Dakota [Mr. YOUNG], which appears on page 7 of volume I of the hearings held before the Committee on Agriculture and Forestry, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator YOUNG. I wonder if you would mind an interruption?

Senator HILL. Not at all.

Senator YOUNG. I wonder if you have had the same experience that I have had. I find it impossible to call on almost any farmer regarding business or anything else. For that matter, he may be interested in Washington. Either he has no telephone at all or the system he has is so obsolete you cannot even hear him on a call from Washington.

Mr. LANGER. Mr. President, I also ask unanimous consent that the testimony of Billy Bryan, of the Cattle Electric Cooperative, of Binger, Okla., be printed in the RECORD in full at this point as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF BILLY BRYAN, CATTLE ELECTRIC
COOPERATIVE, BINGER, OKLA.

Mr. BRYAN. I do not have a prepared statement.

The CHAIRMAN. Give your full name for the record and your residence.

Mr. BRYAN. My name is Billy Bryan, from Binger, Okla. I operate the Cattle Electric Cooperative and I just want to take a few moments to tell you about specific cases.

I have a letter on my desk from the telephone exchange at Eakly, Okla. Eakly is a town of about 450 people. The man who operates that telephone exchange is a cripple. He is broken down with arthritis and that is all that he can do. I think he was a doctor at one time. Today they have probably maybe 200 telephones out there. Recently, just before I came to Washington, they had a little storm out in that part of the world and it occurred some 3 or 4 miles south of Eakly. They attempted to call the highway patrol and the fact that they were attempting to get the highway patrol brought the highway patrol in and we went out with our radio cars from the cooperative and transmitted information back. There was not anyone hurt but we had heard that the town had been blown away, so we rushed out to see what was going on. They had no telephone service at the time.

He had been petitioning the REA and he has written to Mr. Ellis and he has been petitioning to me to get some kind of help.

Another example I want to give you is the town of Alfalfa, which has a population of

approximately 150 or so. They have rural service. Now, all of these towns have rural out-lines. I believe now—I am not too positive on this—but I believe that their service lasts from 9 until 5. You have to call at the right hour or you do not get through and they have connections with an independent system in Carnegie. We have a lot of carriers in one carrier, and have a lot of owners billed on our present system with the Bell people. It is a very satisfactory arrangement.

But these localities have never been reached by Bell. I do not think Bell would even reach them because they are too thin.

Another example—going back a little bit—my father was a country doctor and in order for him to get enough practice and to get in touch with these people, he and I built, physically and financially, about 3 or 4 miles of telephone lines. We built it on anything we could find down there, just a lot of black-jack trees—some we nailed to black-jack trees, posts, and anything we could find. At that time we had the little local telephone exchange.

Well, that was a farm home where the ladies stayed there all the time and then did the exchanging around over the country. The question was asked: "What went with the telephones that we used to have?" They are all obsolete, Mr. Chairman. Some of the old-timers are so old that they do not work any more so they just take them out and throw them away. That was back in the days when they hooked the wires together so they could go out and disconnect them in a storm.

The CHAIRMAN. The telephones looked like a coffee grinder connected up and sounded very much like one?

Mr. BRYAN. Very much the same thing. I think those examples will give you a picture.

The farmer today does not have a telephone system. He does in a few places but I am speaking of my own specific area. Telephone lines are down in the grass. They are tied to fence posts. They are tied to blackjacks. They are stuck up on poles. They have no system. The phones are bad. They have no lightning arresters on them.

Did you ever see a fruit jar used as an insulator on a telephone line? We have lots of them where they took a fruit jar, knocked the bottom out of it, and stuck it down over the post and tied those wires to the insulator. I believe that is about the extent of my remarks, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Bryan.

AMERICAN POLICY TOWARD THE CHINESE COMMUNISTS

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared on the subject of American policy toward the Chinese Communists.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AMERICAN POLICY TOWARD THE CHINESE COMMUNISTS

(Release by Senator HUGH BUTLER, Republican, of Nebraska, in the Senate, June 25, 1949)

Mr. President, I have been reading what the Senator from New Hampshire, Mr. BRIDGES, had to say about the British minesweepers used to clear the water around Shanghai. He indicated that this was undoubtedly at the expense of the American taxpayers who are being at the same time taxed to conduct a cold war against communism in Europe.

On January 20 of this year, President Truman made a wonderful speech calling for a crusade against communism. He must know that communism is a global movement. He

must know that it is not, as Secretary Acheson once said publicly, an economic movement. It is social, political, and philosophical. Yes, it is even a religion—a pagan religion that defies the state and denies God. Wherever it raises its head, communism must be opposed.

I do not claim to know a lot about international affairs, but I do believe that the same fundamentals of honesty, honor, and courage that have helped us solve our domestic problems are equally applicable to our foreign affairs. I do not like to see my country compromise with evil, and I do not like her to show any fear of other countries or their leaders. I detest hypocrisy and cowardice. The strongest language used by Christ while on earth was used by Him in denouncing hypocrites.

If President Truman is against communism in Asia as well as in Europe, I will gladly follow him and will support a bipartisan foreign policy, but I could never follow a hypocritical or cowardly foreign policy. Mr. President, that is the kind of foreign policy we have today.

I charge that it is hypocritical to fight a "cold" war against communism in Europe and, at the same time, to fail to support the Chinese Nationalists who are conducting the only "hot" war against communism on a large scale in the world today. The advance of communism in Asia could prove to be as dangerous to the security of the United States as its advance in Europe.

I further charge that it is an act of the rankest cowardice for a State Department spokesman to give the impression that we must be careful not to incur the wrath of the victorious Chinese leader Mao Tse-tung. That is the impression that was given to Mr. C. L. Sulzberger of the New York Times, according to one of his feature articles, on February 21, 1949.

I am not a member of the Foreign Relations Committee of the Senate. Therefore, I will not take up the question of the usurpation by the State Department during the last decade of the powers and responsibilities to formulate foreign policy which the Senate, jointly with the President, was given by the Constitution.

But I refuse to stand by and permit a spokesman of the State Department to give the impression to the world that this country is afraid of a Communist leader anywhere. I have waited for a withdrawal of this statement or a rebuke by a superior. None has been forthcoming. The incident called to our attention by Senator Bridges seems to give substance to the statement in the Sulzberger article. For these reasons, I feel obliged, as an American and as a member of the Senate, to speak out in protest.

If the State Department spokesman quoted in the article is afraid of the Communist leader of China, the American people are not. If his superiors who have failed to contradict this interview are afraid of the Chinese Communists, the American people are not. I do not believe the American people are afraid of the Communists in China or anywhere else. I believe it is the duty of the State Department, as the official spokesman for the American people in foreign affairs, to make that absolutely clear to all the world.

EXTENSION OF AUTHORITY OF MARITIME COMMISSION TO SELL, CHARTER, OR OPERATE VESSELS

Mr. McCARRAN. Mr. President, I have an understanding with the Senator from Washington [Mr. MAGNUSON] that I would be here at the time he sought to take up House Joint Resolution 235, which I held up the other day on the call of the calendar. I think perhaps it will do no harm for me to proceed in the absence of the Senator from

Washington. He is being sent for, and probably will be in the Chamber within a few minutes.

During the interval between the call of the calendar and today a number of representatives of labor organizations have come to me setting forth the conditions which would prevail if this resolution were not permitted to go through. It has been authoritatively stated to me that fifteen or twenty thousand seamen would be thrown out of employment, and that certain vessels would be tied up, and might go into Government management and control, thus impairing employment at a time when there are so many out of employment. That, of course, is a very forceful argument to me. I have decided to permit the joint resolution to go through without objection. Before I do so, I think in all fairness it should be stated, as I think it is quite generally understood by the Committee on Interstate and Foreign Commerce, that the present Maritime Commission is a commission which has in my judgment, based upon observation, violated the very purpose and intent with which that Commission was established. It has practically destroyed shipping on the Pacific Coast.

Those of us who are interested in the development of the Pacific Coast realize that commerce between the Pacific Coast and the Orient has gone far toward the building of the Pacific Coast area. No agency did more for the pioneering and building of the Pacific Coast than did the Dollar Steamship Line, pioneered by that great pioneer of steamshipping on the Pacific Ocean, R. Stanley Dollar. That line was set in operation and became the connecting link between the Orient and western America, and so continued for many years.

The depression which came in 1920 and extended to 1934, and even after, caught that shipping line in bad financial condition, due to a multiplicity of circumstances and conditions which were imposed upon it. That shipping line took advantage of the law, which gave it the right to borrow money from the Government through the Maritime Commission. It pledged its stock as collateral by way of security for the money loaned through the Maritime Commission. That it was a pledge of the stock I think no reasonable person can deny. That it was not a sale, that it was not a total and entire transfer, is so patent from the record that one would scarcely desire seriously to argue the matter. The fact is that the Circuit Court of Appeals of that district—and, in deed, the Supreme Court of the United States, speaking through Mr. Justice Douglas—made very cogent remarks on this subject. I shall read from the opinion of Mr. Justice Douglas. In speaking of the action of the Maritime Commission, Mr. Douglas made a statement which, to my mind, applies directly to the action of the Maritime Commission in the Dollar Line case. He said:

But public officials may become tortfeasors by exceeding the limits of their authority, and where they unlawfully seize or hold a citizen's realty or chattels recoverable by appropriate action at law or in equity, he is not relegated to the Court of Claims to recover a money judgment. The dominant

interest of the sovereign is then on the side of the victim, who may bring his repossessor action to reclaim that which is wrongfully held.

So, Mr. President, I contend that the Maritime Commission in the Dollar Line case wrongfully withheld, and is now wrongfully withholding, the entire Dollar Line, which line gave its pledge by way of putting up its stock as collateral or as security for a debt which it had incurred to the Federal Government. That act in itself warrants putting the Maritime Commission out of business. But that is not all it has been guilty of. To my way of thinking, no Government commission has gone further toward high-handed arbitrariness than has the Maritime Commission.

It was with that solely in mind that I took the position the other day, and which indeed I take today, namely, that this Commission, now under investigation by the Committee on Interstate and Foreign Commerce, should, indeed, so far as its present powers are concerned, be put out of business. But in putting it out of business there is no necessity, so far as I can see, to put thousands of men out of employment. So, if by permitting this joint resolution to be passed, we can save the country from that particular calamity, I shall yield the position which I took the other day, and shall let the joint resolution be passed.

But I say again that it is such high-handed attitude and conduct on the part of public officials in commissions of this kind that lead the citizens of the United States in many instances to lose confidence in their own Government. When one seeking to obtain succor and support from the Government under law pledges all he has—as did the Dollar Line, which pledged its stock to secure the loan—then finds that the Commission, to which the stock is pledged, declares, and stands upon its declaration, that that was an absolute transfer, and by its authority takes the citizen's property away from him and holds it arbitrarily, it is enough, indeed, to destroy confidence in the Government. If we do not do something to prevent conduct of this kind, I wonder why we can complain of other governments upon which we look now with disdain for doing the very same thing?

So far as I am concerned now, although I do not see the Senator from Washington [Mr. MAGNUSON] on the floor at the moment, I shall have no further objection to the passage of House Joint Resolution 235.

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 235, Calendar No. 477.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). Is there objection?

Mr. LANGER. Mr. President, as one of those who objected to the consideration of this measure at the time when the calendar was called, I now withdraw the objection, but I associate myself with the Senator from Nevada in the statement he has made.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 235) to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments.

The PRESIDING OFFICER. The clerk will proceed to state the amendments of the committee.

The first committee amendment was on page 2, in line 4, after the word "charter", to insert "(except one in respect of a passenger vessel)."

The amendment was agreed to.

The next amendment was, in line 12, after the word "except", to strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Mr. McCARRAN. Mr. President, let me inquire of the Senator from Illinois or the Senator from Washington whether it is contemplated that the joint resolution will extend to the Maritime Commission any greater power or authority than it had by the act which created it in the first instance?

Mr. MAGNUSON. This extension of authority for 1 year limits the powers of the Commission to this extent: Whereas the other extensions which have been made, in giving this authority, have given the Commission blanket authority to sell, charter, and operate, this measure limits the Commission's authority, and the authority of the shipper who charters the ship to the extent that in the case of coastwise trade he must keep the ship at least 4 months, and in the case of offshore trade at least 6 months. That is the only provision. I have talked to the distinguished chairman of the House committee, Judge BLAND, who is familiar with the matter, and he is in favor of providing for this authority in this way.

Mr. McCARRAN. So if the Commission had no authority, by the law which created it, to take absolute possession and to run as its own a shipping line coming under its authority and jurisdiction, this joint resolution will not extend such authority to it. Is that correct?

Mr. MAGNUSON. The Senator is correct.

Mr. McCARRAN. Very well.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in line 12, which has been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, in line 15, after the word "and", to strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

The amendment was agreed to.

The next amendment was, in line 20, after the word "charter", to insert "(ex-

cept one in respect of a passenger vessel)."

The amendment was agreed to.

The next amendment was on page 3, in line 2, after the word "except", to strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

The amendment was agreed to.

The next amendment was in line 5, after the word "and", to strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

The amendment was agreed to.

The next amendment was, in line 11, after the word "vessel", to insert "(except a passenger vessel)."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

Mr. LUCAS. Mr. President, I wish to express my very sincere appreciation to the able Senator from Nevada [Mr. McCARRAN] and the able Senator from North Dakota [Mr. LANGER] for not objecting to the consideration of what I deem to be a very important measure.

Mr. MAGNUSON. Mr. President, I may also add my complete agreement with the remarks of the Senator from Illinois.

REPEAL OF OLEOMARGARINE TAX

Mr. LUCAS. Mr. President, if there is no further inquiry by any Senator—

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I should like to ask the senior Senator from Illinois when he expects to take up the bill to repeal the tax on oleomargarine?

Mr. LUCAS. That is a very good question. The Senator from Arkansas has made inquiry of the majority leader, and as the Senator well knows, I am for the bill to repeal the tax on oleomargarine. It was reported by the Finance Committee as I recall, almost unanimously.

Mr. FULBRIGHT. That occurred twice, as a matter of fact.

Mr. LUCAS. It is now on the calendar. It is like a number of other very important measures, as to which certain groups are constantly pressing from the right, some pressing from the left, and some pressing from the center, attempting to get the majority leader to take up their measures, which are more important to their particular interest than anything else. Obviously, I wish we could take them all up within a week's time.

Mr. FULBRIGHT. There seems to be nothing pressing now. Why do we not

pass it now? We just passed a bill very easily.

Mr. LUCAS. I note the Senator from Vermont is present, and I am sure we could not get unanimous consent to take up the bill and also to pass it.

Mr. FULBRIGHT. I thought the Senator from Vermont was for the bill.

Mr. AIKEN. Mr. President, if the Senator will yield, I suggest that action on the repeal of the regulations on the sale of oleomargarine be postponed until the Government stops buying surplus butter. Colder weather would be more appropriate for the consideration of the bill, because I am sure the heat would melt it, if it were brought to the floor of the Senate within the next few weeks.

Mr. LUCAS. Then in all seriousness I may say to the Senator from Arkansas that I sincerely hope we shall be in a position to take up the oleomargarine bill before we conclude this session of the Congress. It is the intention of the Senator from Illinois to do so. It is an important bill. It is important to the consumers of the country. It is important to the dairy interests also. There will be long debate on it, no doubt, because it is a highly controversial measure.

Mr. FULBRIGHT. Does the Senator know whether it is possible to bring it up after consideration of the pending bill is concluded?

Mr. LUCAS. No; it will not be possible to bring it up when consideration of the pending business is concluded, because I have definitely agreed to bring up the North Atlantic Pact. If I were certain the bill could pass say within 1 or 2 hours on some afternoon, I should not hesitate to bring it up. But I have conferred with some of the Senators from the dairy States who are interested in the bill, and I feel that it cannot pass in one afternoon. I think the Senator from Vermont will agree to that.

ST. LAWRENCE SEAWAY PROJECT

Mr. AIKEN. I should not expect that it could. I should also like to inquire whether the Senator from Illinois thinks it would be possible to get action on the St. Lawrence seaway legislation before the Congress recesses this summer.

Mr. LUCAS. Let me say to the Senator from Vermont in answer to that inquiry, I am not sure just what can be done about it. I have been conferring with the chairman of the Committee on Foreign Relations, and he has agreed to appoint a subcommittee to conduct further hearings. It seems to me that there is very little more to be said perhaps in the way of testimony on the subject of the St. Lawrence seaway. There could be taken whatever additional testimony is necessary in order to bring the record up to date; and we should get from the committee a report on the St. Lawrence seaway before this session adjourns. Whether we can take up the bill is another question. Certainly, as the Senator well knows, a great number of major problems, some of which are before committees and some of which are now before the Senate, must be considered before we adjourn. As one who went along with the introduction of the joint resolution on the St. Lawrence seaway project, I am all for it and am

doing all I can to push it as fast as possible in the Committee on Foreign Relations.

Mr. AIKEN. I thank the Senator for the information.

AUTHORIZATION TO SIGN BILLS

Mr. LUCAS. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign duly enrolled bills during the recess of the Senate following today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. LUCAS. I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, June 27, 1949, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 24, 1949

The House met at 12 o'clock noon.

Rev. James Langley, Central Baptist Church, Malone, Tex., offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth; the whole earth is full of Thy glory. To Thee, the giver of every good and perfect gift, our hearts turn in grateful remembrance for the unspeakable gift of Thy Son. We rejoice in the greatest news of the ages, that He is alive forevermore, and because He lives we, too, shall live.

We acknowledge no other Caesar but Christ. He is King of Kings and Lord of Lords. Who is man therefore that Thou art mindful of him? Yet Thy divine love, like a mighty stream, flows to man and challenges his noblest response.

With the heartthrob of humanity focused upon this Nation, we pray for wisdom. May the men who from these historic halls direct the destiny of the world be God's men for such an hour as this. Grant, gracious Lord, that this great Government, dedicated to the supreme worth of the individual, shall be guided by the eternal verities of Thy written and living word. Send peace through the Prince of Peace, for we pray in the name which is above every name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on June 23, 1949, the President approved and signed a bill of the House of the following title:

H. R. 1338. An act authorizing the transfer to the United States section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort Brown at Brownsville, Tex., and adja-

cent borrow area, without exchange of funds or reimbursement.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2989) entitled "An act to incorporate the Virgin Islands Corporation, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 25 and 39 to the above-entitled bill.

SALE OF PUBLIC LANDS IN ALASKA

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2859) to authorize the sale of public lands in Alaska, with Senate amendments, disagree to the amendments of the Senate, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PETERSON, REDDEN, BENTSEN, WELCH of California, and CRAWFORD.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1950

Mr. BATES of Kentucky submitted the following conference report and statement on the bill (H. R. 3082) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

CONFERENCE REPORT (H. REPT. 900)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3082) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11 and 19.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 6, 7, 8, 9, 10, 15, 17, 18, 21, 23, 25, 26, 27, 29, 30, 32, 33, 34, 35, 36, 37, 39, 41, 42, 43, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, and 65, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$280,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$767,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$351,300"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$14,150,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,868,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,154,260"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$420,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,075,250"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,189,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$6,443,989"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,040,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$976,222"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,072,098"; and the Senate agree to the same.